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State of Oklahoma

County of Oklahoma

Oklahoma County Clerk

Carolynn Caudill

**AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
(AND NOTICE, DISCLOSURE & DISCLAIMER TO FUTURE BUYERS)
OF TWIN OAKS CANYON**

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the Owners of Lots within Twin Oaks Canyon (the "undersigned") are the Owners of the land platted as TWIN OAKS CANYON recorded in Book 9, at page 163 (the "Plat") in the office of the County Clerk of Canadian County, State of Oklahoma; and

WHEREAS, the land and improvements constructed thereon are subject to Oklahoma's Real Estate Development Act (Title 60 O.S. 1971, Sections 851-855, as amended).

WHEREAS, the original declaration for Twin Oaks Canyon is filed at Book 3294, Page 673 and an amendment is filed at Book 3833, Page 184, in the public records of Canadian County, State of Oklahoma.

NOW, THEREFORE, , a sufficient percentage of Owners having voted to amend the original covenants, conditions and restrictions, the undersigned do hereby publish and declare that the land and its improvements are hereby subjected to the conditions, covenants, and restrictions herein set forth to be established upon the recording hereof, in accordance with and subject to the provisions of the Oklahoma Real Estate Development Act, and that the covenants, conditions, restrictions, use limitations, obligations, and provisions hereof shall be deemed to run with the land herein described and shall be for the use and benefit to the undersigned, their successors and assigns, and to any Person or entity acquiring or owning an interest in the land and improvements, or any person thereof, their grantees, successors, heirs, personal representatives, devisees and assigns.

1. Definitions. Unless the context shall expressly provide otherwise:

1.1 "ASSOCIATION" means the TWIN OAKS CANYON HOMEOWNERS ASSOCIATION, INC., an Oklahoma non-profit corporation, its successors and assigns, the By-Laws of which shall govern the administration of the ASSOCIATION, the Members of which shall be all the owners of Lots in TWIN OAKS CANYON per the terms and conditions herein delineated and further expanded in the Certificate of Incorporation and By-Laws of TWIN OAKS CANYON HOMEOWNERS ASSOCIATION, INC. in addition to other Lots within TWIN OAKS CANYON.

1.2 "Board of Directors" or "Board" means the body of responsible for administration of the ASSOCIATION.

1.3 "Bylaws" means the Bylaws of Twin Oaks Canyon Homeowners Association, Inc., attached hereto as Exhibit "C".

1.4 "Builder" means an individual or other entity that purchases an unimproved Lot for the purpose of construction thereon a single-family residence for sale to an Owner-occupant.

1.5 "Building" means one or more of the building improvements lying within the real estate described on Exhibit "A."

- 1.6 "Common Area" means all real and personal property which the ASSOCIATION now or hereafter owns, leases, or otherwise holds possessor or use rights in for the common use and enjoyment of the Owners. The term may or shall include without limitation, recreational facilities, entry features, signage, landscaped medians, lakes, wetlands, hiking, walking, and bicycle trails, as shown on the Plat TWIN OAKS CANYON, or any other property conveyed to the ASSOCIATION at some date in the future.
- 1.7 "Common Expenses" means and includes expenses for maintenance, replacement, repair, operation, improvements, management and administration, and expenses declared common expenses by the provisions of this Declaration and the Bylaws of the ASSOCIATION.
- 1.8 "Declaration" means the Amended Declaration of Covenants, Conditions, Restrictions, and Notice, Disclosure & Disclaimer to Future Buyers of TWIN OAKS CANYON.
- 1.9 "Design Guidelines" means architectural, design, development, and other guidelines, standards, controls, and procedures including, but not limited to, application and review procedures, adopted and administered, as they may be amended, pursuant to Section 4.
- 1.10 "Governing Documents" means the Declaration, plat of Twin Oaks Canyon, Design Guidelines, Use Restrictions, Bylaws, and Rules and regulations of the Association.
- 1.11 "Lot" means a portion of the PROPERTY described as TWIN OAKS CANYON designated for separate ownership, the boundaries of which are the Lot lines as shown on the recorded plat of the real estate described on Exhibit "A" and any subsequent additions of TWIN OAKS CANYON as they are platted.
- 1.12 "Managing Agent" means that entity contracted or employed to manage and conduct day to day operations, duties and obligations of the ASSOCIATION.
- 1.13 "Member" means a Person entitled to membership to the ASSOCIATION. Every Owner of a Lot shall be entitled to membership in the ASSOCIATION per the terms and conditions herein delineated and further expanded in the Certificate of Incorporation and Bylaws of the ASSOCIATION.
- 1.14 "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 within TWIN OAKS CANYON.
- 1.15 "Person" means a natural person, corporation, partnership, association, trust, other entity, or any combination thereof.
- 1.16 "Plat" shall mean and refer to the plat for Twin Oaks Canyon Phase I filed on February 15, 2007, as recorded at Plat Book 9, Page 163 in the office of the County Clerk of Canadian County, Oklahoma.

1.17 "PROPERTY" or "TWIN OAKS CANYON" means the real property described herein as TWIN OAKS CANYON in the tract of land lying in the Northeast Quarter (NE/4) of Section One (1), Township Twelve (12) North, Range Five (5) West, Indian Meridian, Canadian County, Oklahoma, as set out within Exhibit "A", along with any additional lands that maybe included in the development..

1.18 "Rule" shall mean the Rules and Regulations adopted by the ASSOCIATION as amended from time to time.

1.19 "Special Assessment" means assessments levied in accordance with Section 11.2.

1.20 "Specific Assessment" means assessments levied in accordance with Section 11.3.

1.21 "Use Restrictions" means the Initial Use Restrictions and Rules, as set out within Exhibit "B", as may be amended from time to time.

1.22 "Visible from Neighboring Property" shall mean, with respect to any given object, that such object is or would be visible to a person six feet tall, standing on any part of each neighboring property at an elevation of no greater than the elevation of the base of the object being viewed.

2. Limitations to Property Rights.

2.1 Owner's Nonexclusive Easement of Enjoyment: Limitations. Every Owner and their immediate family 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 herein.

2.2 Blanket Easements for Utilities. There is hereby created a blanket easement, in, on, through, upon, across, over and under all of the publicly dedicated easements and rights-of-way, as shown on the recorded plat, 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 Property to erect and maintain the necessary poles and other necessary equipment on those easements.

2.3 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 that document in full, even though no specific reference to such easements or restrictions appears.

3. Use and Conduct. All Lots shall be used and occupied only for single family residence purposes by the Owner, by the Owner's family, the Owner's tenants or the Owner's guests.

3.1 Regulation. The general plan of development for the PROPERTY exists to enhance all Owners' quality of life and collective interest and the aesthetics and environment within the PROPERTY and to engender a pride of place and sense of community property. To accomplish this objective, the PROPERTY is subject to the land development, architectural, and design provisions set forth in Section 4, the other provisions of this Declaration governing individual conduct and use of or action upon the PROPERTY, and the guidelines, Rules, and restrictions promulgated pursuant to this Section, all of which establish affirmative and negative covenants, easements, and restrictions on TWIN OAKS CANYON. Notwithstanding the above, with respect to Rules and regulations promulgated pursuant to this Section, the Board and the Members shall have the ability, in the manner set forth below, to respond to changes in circumstances, conditions, needs, and desires within the Community. All provisions of this Declaration and any Rules shall apply to all Persons on the PROPERTY. The lessee and all occupants of leased residences shall be bound by the terms of the Governing Documents, whether or not the lease so provides. All Owners shall be responsible for insuring a provision in any lease informing the lessee and all occupants of the residence of all applicable rules and use restrictions affecting the Lot or Common Area.

3.2. Rule Making Authority.

3.2.1 Subject to the terms of this Section and in accordance with its duty of care and undivided loyalty to the ASSOCIATION and its Members, the Board may adopt rules which modify, cancel, limit, create exceptions to, or expand the initial Use Restrictions set forth in Exhibit "B." The Board shall send notice by mail to all Owners concerning any such proposed action at least five (5) business days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken. Any such rules shall become effective after compliance with Section 3.2.2.

3.2.2 At least thirty (30) days prior to the effective date of any action under Sections 3.2.1 or 3.2.2, the Board shall send a copy of the Rule to each Owner specifying the effective date of such Rule. The ASSOCIATION shall provide, without cost, a copy of the Use Restrictions and Rules then in effect to any requesting Member or mortgagee.

3.2.3 In the event of a conflict between the Design Guidelines and the Use Restrictions, the Design Guidelines shall control.

3.2.4 Procedures required under this Section shall not apply to enactment and enforcement of administrative rules and regulations governing use of the Common Area unless the Board chooses in its discretion to submit to such procedures. Examples of such administrative rules and regulations shall include, but not be limited to, hours of operation of a recreational facility (if permitted) by particular individuals at particular times. The Board shall exercise business judgment in the enactment, amendment, and enforcement of such administrative rules and regulations.

3.3 Owners' Acknowledgment. All Owners are subject to the Use Restrictions and are given notice that (a) their ability to use their privately owned property is limited thereby, and (b) the Board and/or the Members may add, delete, modify, create exceptions to, or amend the Use Restrictions. By acceptance of a deed, each Owner acknowledges and agrees that the

use and enjoyment and marketability of their property can be affected by this provision and that the Use Restrictions and Rules may change from time to time

3.4 Protection of Owners. Except as may be specifically set forth in the initial Use Restrictions, neither the Board nor the Members may adopt any rule in violation of the following provisions:

3.4.1 Similar Treatment. Similarly situated Owners and occupants shall be treated similarly.

3.4.2 Speech. The rights of Owners and occupants to display on their Lot political signs and symbols of the kinds normally displayed in or outside residences located in single-family residential neighborhoods in individually owned property shall not be abridged, except that the ASSOCIATION may adopt reasonable time, place, and manner restrictions regulating signs and symbols which are visible from outside the Lot. This Declaration and any Rules adopted by the Board shall not be construed to supersede or limit applicable governmental ordinances regulation signs or symbols on Lots.

3.4.3 Holiday Displays. The rights of Owners and occupants to display religious and holiday signs, symbols, and decorations on their Lots of the kinds customarily displayed in residences located in single-family residential neighborhoods shall not be abridged. Holiday decorations shall be removed within thirty days following the holiday.

3.4.4 Assembly. The right of Owners and occupants to assemble on such portions of the Common Areas as are designated by the Board from time to time shall not be eliminated, provided, however, the Board may adopt reasonable time, place, and other restrictions on assembly. At no time shall Common Area be construed as a place of public assembly.

3.4.5 Household Composition. No Rule shall interfere with the freedom of occupants of a Lot to determine the composition of their households, except that the ASSOCIATION shall have the power to require that all occupants be Members of a single housekeeping unit and to limit the total number of occupants permitted in each residence on the basis of the size and facilities of the residence and its fair share use of the Common Area, provided that such limits shall not be less restrictive than applicable governmental codes or ordinances in establishing the total number of occupants.

3.4.6 Activities Within Dwellings. No Rule shall interfere with activities carried on within the confines of dwellings, except that the ASSOCIATION may prohibit activities not normally associated with property restricted to residential use, and it may restrict or prohibit any activities that create monetary costs for the ASSOCIATION or other Owners, that create a danger to the health or safety of occupants of other dwellings, that generate excessive noise or traffic, that create unsightly conditions visible outside the dwelling, or that create an unreasonable source of annoyance.

3.4.7 Alienation. No Rule shall prohibit leasing or transferring any Lot, or require consent of the ASSOCIATION or Board for leasing or transferring any Lot; provided, the ASSOCIATION or the Board may require a minimum lease term of up to twelve (12) months. The ASSOCIATION may require that Owners use lease forms approved by the

ASSOCIATION. Unless otherwise specifically set forth in the Declaration, the ASSOCIATION shall not impose any fee on the lease or transfer of any Lot greater than an amount reasonably based on the costs to the ASSOCIATION of its costs to administer that lease or transfer.

3.4.7.1 Owner Occupied Lots. "Owner Occupied Lots" are defined for purposes of this paragraph as Lots occupied solely by the Owner, the members of the family of the Owner or other guests and invitees of the Owner who occupy without the payment of rent, as the occupant's principal residence or second home.

3.4.7.2 Professional Management Restrictions

3.4.7.2.1 Definitions.

3.4.7.2.1.1 "Professional Manager" shall mean a person or entity that Professionally Manages residential real estate within the United States and has the following qualifications:

3.4.7.2.1.1.1 If an individual, is a licensed real estate broker within the State of Oklahoma, and has been so licensed for a period of no less than three (3) years from the date such person seeks to manage a Leased Lot within the Property;

3.4.7.2.1.1.2. If an entity, the controlling interest in such entity is owned by at least one person who is a licensed real estate broker within the State of Oklahoma, and has been so licensed for a period of no less than three (3) years from the date such entity seeks to manage a Leased Lot within the Property;

3.4.7.2.1.1.3. Currently and continually Professionally Manages no less than five residential real estate properties within the State of Oklahoma;

3.4.7.2.1.1.4. Has Professionally Managed residential real estate no less than three (3) years prior to the date the Professional Manager seeks to manage a Leased Lot.

3.4.7.2.1.2. "Professionally Manage" shall mean the administration, oversight, management or control of residential real estate by a Professional Manager.

3.4.7.2.1.3. "Leased Lot" shall mean any Lot within Twin Oaks Canyon not occupied by the Lot Owner and for which any remuneration is paid to the Owner for the use or occupancy of such Lot.

3.4.7.3. Leased Lot Restrictions and Requirements.

3.4.7.3.1. Professional Management. Each Leased Lot shall be Professionally Managed.

3.4.7.3.2. Registration. Prior to the date any Lot shall become a Leased Lot, each Professional Manager shall register the following with the Association:

3.4.7.3.2.1. Name, business address, telephone and facsimile numbers, and email address for the individual Professional Manager;

3.4.7.3.2.2. Professional Manager entity name, state of organizations, and date formed, business address, telephone and facsimile numbers, and email address for the entity Professional Manager;

3.4.7.3.2.3. Date began property management of residential real estate;

3.4.7.3.2.4. Maximum/minimum number of leased residential properties managed within the past 12 months;

3.4.7.3.2.5. Five representative property address references and contacts;

3.4.7.3.2.6. Photocopies of all residential real estate licenses held by the owners, employees, and agents of Manager, including: license issuing agency, date license was obtained, and a certification by the license holder that such license is current and in effect as of the date such license holder seeks to become qualified as a Professional Manager;

3.4.7.3.2.7. Demonstrate compliance with all licensing, ordinances, and code for any structure located on the Leased Lot;

3.4.7.3.2.8. Demonstrate adequate insurance coverage, including but not limited to 1) liability and casualty on each structure located on the Leased Lot, and 2) worker's compensation on the Professional Manager.

3.4.7.4. Familiarity with Governing Documents. Each Professional Manager, their staff, employees, and agents shall demonstrate a familiarity with the Governing Documents to Twin Oaks Canyon and shall agree to review the same with each tenant, lessee, or occupant.

3.4.7.5. Community-Wide Standard. Each Professional Manager and Leased Lot Owner shall acknowledge the existence of the community wide standard within the Property and shall expressly agree that the Leased Lot shall be maintained within such standard, each personally agreeing to bear any expense incurred by the Association in bringing the Leased Lot into compliance with the Governing Documents and community wide standard.

3.4.7.6. No Joint Venture or Partnership. The Owner of any Leased Lot and Professional Manager shall not be considered any partner, employee, agent or joint venturer with the Association and no term within this section shall create any implication or presumption of such relationship. No Owner of a Leased Lot or Professional Manager shall hold themselves or any other out to be any partner, employee, agent or joint venturer with the Association.

3.4.7.7. Leased Lot Sign Restrictions. Each Professional Manager shall comply with any applicable sign restriction contained within the Design Guidelines to the Property.

3.4.8 Abridging Existing Rights. Any Rule which would require Owners to dispose of personal property being kept on the PROPERTY shall apply prospectively only and shall not require removal of any property which was being kept on the PROPERTY prior to the adoption of such Rule and which was in compliance with all Rules in force at such time unless otherwise required to be removed by law. Notwithstanding the above, the rights conferred under this subsection are for the benefit of affected Owners only and shall not be transferable or run with title to any Lot with TWIN OAKS CANYON.

3.4.9 Application of Rule. No Rules shall be applied retroactively except as otherwise required by law.

The limitations in this Section shall apply to Rules only; they shall not apply to amendments to this Declaration adopted in accordance with Section.

4. Architecture and Landscaping.

4.1 General Requirement for Prior Approval. Any architectural or structural changes must comply with the Design Guidelines. All requests must be submitted to the Architectural Committee showing detailed plans and drawings for changes and additions. All plans will be filed by the committee by the address of the home.

4.2 Architectural Review. The committee in charge of architectural review ("the Architectural Committee") shall be composed of three (3) or more natural persons. The affirmative vote of a majority of the members of the Architectural Committee (which shall be the required quorum of the Committee) shall be required in order to adopt or promulgate any Rule or regulation, or to make any finding, determination, ruling or order, or to issue any permit, consent, authorization, approval or the like pursuant to the authority contained in the Bylaws. The Board shall appoint the members of the Architectural Committee, and such persons shall serve at the pleasure of the Board.

4.3 Guidelines and Procedures.

4.3.1 Design Guidelines. The Architectural Committee has prepared or shall prepare the initial design guidelines ("the Design Guidelines") which shall apply to construction and landscaping activities within TWIN OAKS CANYON, as provided in Section 4.2. The Design Guidelines are intended to provide guidance to Owners regarding matters of particular concern in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the Architectural Committee, and compliance with the Design Guidelines does not guarantee approval of any application.

Amendments to the Design Guidelines shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation of the scope of amendments to the Design Guidelines.

The ASSOCIATION shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction with TWIN OAKS CANYON and all such Persons shall conduct their activities in accordance with such Design Guidelines.

4.3.2 Procedure. Prior to commencing any activity within the scope of Section 4.2, an Owner shall submit an application for approval of the proposed work to the Architectural Committee. Such application shall be in the form required by the Architectural Committee and shall include plans and specifications ("Plans") showing site layout, structures design, exterior elevations, exterior materials and colors, signs, landscaping, drainage, lighting, litigation, fencing, utility facilities layout and screening and/or fencing therefore, and other features of proposed constructions, as required by the Design Guidelines and as applicable. The Architectural Committee may require submission of such additional information as it deems necessary to consider any application.

In reviewing each submission, the Architectural Committee may consider whatever reasonable factors it deems relevant, including, but not limited to, visual and environmental impact, natural plans and finish grade elevation, harmony of external design with surrounding structures and environment, and architectural merit. Decisions may be based purely on aesthetic consideration. Each Owner acknowledges that determinations as to such matters are purely subjective and opinions may vary as to the desirability and/or attractiveness of particular improvements.

Approval by the Architectural Committee shall be required prior to pursuing or gaining any required approval from the local governing bodies. The Architectural Committee shall not require permits or other approvals by local government entities other than those issued by such entities in the usual course of business.

The Architectural Committee shall, within the period specified in the Design Guidelines, advise the party submitting the same, in writing, at an address specified by such party at the time of submission, of (i) approval of Plans, or (ii) segments or

features of the Plans which are deemed by such committee to be inconsistent or not in conformity with this Declaration and/or the Design Guidelines, the reasons for such finding, and suggestions for curing such objections. In the event the Architectural Committee fails to advise the submitting party by written notice within the period specified in the Design Guidelines of either the approval or disapproval and suggestions for curing objections, approval shall be deemed to have been given. Notice shall be deemed to have been given at the time the envelope containing such notice, properly addressed, and postage prepaid, is deposited with the U.S. Postal Service, registered or certified mail, return receipt requested. Personal delivery of such written notice shall, however, be sufficient and shall be deemed to have been given at the time of delivery to the submitting party.

If construction does not commence on a project for which Plans have been approved within one hundred twenty (120) days of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the Plans to the Architectural Committee for reconsideration. If construction is not completed on a project for which Plans have been approved within the period set forth in the Design Guidelines or in the approval, such approval shall be deemed withdrawn, and such incomplete construction shall be deemed to be in violation of this Section.

4.4 No Waiver of Future Approvals. Each Owner acknowledges that the Architectural Committee will change from time to time and that interpretation, application, and enforcement of the Design Guidelines may vary accordingly. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval. Should the Architectural Committee permit nonconforming improvements through hardship or error, it shall not be construed as a waiver of future enforcement rights or permission for future noncompliance.

4.5 Variance. The Architectural Committee may authorize variances in writing from its guidelines and procedures but only: (a) in accordance with duly adopted Rules and regulations, (b) when unique circumstances dictate, such as unusual topography, natural obstructions, hardship or aesthetic or environmental considerations, and (c) when construction in accordance with the variance would be consistent with the purposes of the Declaration and compatible with existing and anticipated uses of adjoining property. Inability to obtain the terms of any governmental approval or the terms of any financing shall not be considered a hardship warranting a variance.

4.6 Limitation of Liability. Review and approval of any application pursuant to this Section is made on the basis of aesthetic considerations only, and the ASSOCIATION, the Board, the Architectural Committee, or any member of the foregoing, shall not bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, or for ensuring compliance with building codes and other governmental requirements. The ASSOCIATION, the Board, the Architectural Committee, or any member of any of the foregoing shall not be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Lot. In all matters, the

Architectural Committee, its members, and the Board shall be defended and indemnified by the ASSOCIATION as provided in the By-Laws.

4.7 Enforcement. All approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approval work and all work previously approved with respect to the same Lot, unless approval to modify any application has been obtained. The ASSOCIATION shall be primarily responsible for enforcement of this Section.

5. Easements for Encroachments. If any portion of, or improvements on, the Common Areas encroaches upon a Lot or Lots, a valid easement for the encroachment and for the maintenance of same, as long as it stands, shall and does exist, regardless of whether such easement is shown on the recorded plat. If any portion of a Lot encroaches upon the Common Areas, or upon an adjoining Lot or Lots, a valid easement for the encroachment and for the maintenance of same, as long as it stands, shall and does exist. Such encroachments and easements shall not be considered or determined to be encumbrances either on the Common Areas or on the Lots.

6. Administration and Management; Mandatory Membership. The administration and management of the PROPERTY shall be governed by the Declaration and the Bylaws of the ASSOCIATION. The ASSOCIATION shall be governed by the Board as provided in the Certificate of Incorporation and Bylaws of the ASSOCIATION. The administration and management of the Common Areas shall be governed by the Declaration of TWIN OAKS CANYON, the Certificate of Incorporation and Bylaws of the ASSOCIATION. An Owner of a Lot shall mandatorily become a Member of the ASSOCIATION per the terms and conditions herein delineated and further expanded in the Certificate of Incorporation and Bylaws of the ASSOCIATION. The ASSOCIATION may employ agents, servants and employees and any Person or firm to act as Managing Agent at any agreed compensation.

7. Owner's Maintenance Responsibility of Lot. For purposes of maintenance, repair, alteration and remodeling, an Owner shall be deemed to be responsible for all portions, whether interior or exterior, of the Lot and its improvements, and for maintenance and upkeep of the Lot in a presentable condition, as determined by the Architectural Committee, or the Architectural Committee may, at its discretion, mow the Lot, maintain improvements thereon, trim trees and remove trash or debris, the cost of which shall be borne by the Owner.

8. Records: Inspection by Owners and Mortgagees.

8.1 Retention. The ASSOCIATION Board shall keep or cause to be kept current certified copies of the recorded Declaration, the executed Bylaws, and the books and records with detailed accounts of the receipts and expenditures affecting the ASSOCIATION and its administration. The records so kept shall be available for inspection by all Owners, lenders, and the holders, insurers, and guarantors of first mortgages at convenient hours on working days or under other reasonable circumstances.

9. Compliance with Provisions of Declaration, Bylaws and rules and Regulations. Each Owner shall comply strictly with the provisions of this Declaration, the Bylaws of the ASSOCIATION, and the Rules, regulations, Design Guidelines, 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 Managing Agent or Board or Directors in the name of the ASSOCIATION on behalf of the Owners or, in a proper case, by an aggrieved Owner.

10. [Intentionally deleted.]

11. Assessment for Common Expenses.

11.1 Obligation to Pay Pro-rata Share. All Member Owners of Lots shall be obligated to equally pay the assessments, either estimated or actual, imposed by the Board of the ASSOCIATION to meet the Common Expenses as further set forth in the Certificate of Incorporation and Bylaws of the ASSOCIATION.

11.2 Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of the amount budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses. Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Members (if a Common Expense) representing more than 50% of the total votes allocated to Lots which will be subject to such Special Assessment. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

11.3 Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Owner or Lot as follows:

To cover costs incurred in bringing a Lot into compliance with the Governing Documents, fines or monetary penalties for Governing Document violations, or costs incurred as a consequence of the conduct of the Owner or occupants of a Lot, their agents, contractors, employees, licensees, invitees, or guests; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing before levying any Specific Assessment under this Section 11.3.

12. Owner's Personal Obligation for Payment of Assessments.

12.1 Non-Exemption from Payment. The amount of Common Expenses assessed against each Lot shall be the personal and individual debt of the Owner thereof. No Owner may exempt themselves from liability for their contribution toward the Common Expenses by waiver of the use of enjoyment of any of the Common Areas or by abandonment of their Lot.

12.2 Reserves and Working Capital. The ASSOCIATION shall have the right to establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Areas which the ASSOCIATION may be obligated to maintain as further set forth in the respective associations Certificate of Incorporation and Bylaws.

12.3 Lien for Assessments. All assessments and other charges of the Association authorized in this section or elsewhere in this Declaration shall constitute a lien against the Lot against

which they are levied from the time such assessments or charges become delinquent until paid. The lien shall also secure payment of interest (subject to the limitations of Oklahoma law), late charges (subject to the limitations of Oklahoma law), and costs of collection (including attorneys' fees, lien fees and administrative costs). Such lien shall be superior to all other liens, except those deemed by Oklahoma law to be superior. The Association may enforce such lien, when any assessment or other charge is delinquent, by suit, judgment, and foreclosure.

The Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association. The Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, the sale or transfer of any Lot pursuant to foreclosure of the first mortgage shall extinguish the lien as to any installments of such assessments due prior to the mortgagee's foreclosure. The subsequent Owner to the foreclosed Lot shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment, including such acquirer, its successors and assigns.

Notwithstanding any other provision of this Declaration, no governmental authority or public utility shall be liable for assessments on any Lot dedicated to and accepted by the governmental authority or public utility ("Dedicated Property") which arose prior to its acceptance of such Lot. Dedicated Property shall include, without limitation, such areas created by or dedicated in the form of easements, including, perpetual easements, tract easements, and easements in favor of the City of Oklahoma City or municipal use property.

If only a portion of a Lot is Dedicated Property, any assessments which arose prior to the dedication shall remain due and owing against the non-dedicated portion of the Lot. If the entire Lot is Dedicated Property, such unpaid assessments shall be deemed to be Common Expenses collectible from owners of all Lots subject to assessment.

In the event that a lien exists on any Dedicated Property, (a) if only a portion of the Lot is Dedicated Property, the lien shall remain in effect with respect to the undedicated portion of the Lot and shall terminate with respect to the Dedicated Property, or (b) if the entire Lot is Dedicated Property, the lien shall terminate with respect to the entire Lot.

13. Period of Ownership. TWIN OAKS CANYON created by this Declaration shall continue until this Declaration is revoked in the manner as is provided for in this Declaration.

14. General Reservations. The Association reserves the right to establish within the Common Areas future easements, reservations, exceptions and exclusions consistent with the ownership and

development of the Common Areas, TWIN OAKS CANYON and for the best interests of the Lot Owners and the ASSOCIATION in order to serve the entire real estate development.

15. Waiver Clause. Except as to the payment of assessments, the ASSOCIATION shall have the power to grant to any Owner a waiver, variance or exception of and from any of the provisions of this Declaration, so long as that waiver, variance or exception is approved by a majority of the ASSOCIATION Board.

16. General.

16.1 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.

16.2 Failure to Enforce Not Waiver. No provision contained in this Declaration, Rules, Use Restrictions, Design Guidelines, or the Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number violations or breaches which may occur.

16.3 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 or exhibits or the intent of any provision hereof.

16.4 Gender. 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, whenever the context so requires.

16.5 Covenants to Run with the Land. The covenants, conditions and restrictions of this Declaration shall run with and bind the PROPERTY and shall inure to the benefit of and be enforceable by the ASSOCIATION, or any Member, their respective legal representatives, heirs, successors and assigns.

16.6 Enforcement at Law or in Equity; Notice to Mortgagee of Uncured Default. The ASSOCIATION or any Owner shall have the right to enforce by proceedings, at law or in equity, all restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation; however, with respect to assessment liens and the Rules, the ASSOCIATION shall have the exclusive right to the enforcement thereof. The ASSOCIATION or any Owner shall also have the right to enforce, by proceedings at law or in equity, the provisions of this Declaration, the Bylaws, and any amendments thereto. A first mortgagee, upon request, will be entitled to written notification from the ASSOCIATION of any default in the performance by the individual Lot borrower of any obligation under the Governing Documents which is not cured within sixty (60) days.

16.8 Attorneys' Fees. In the event an action is instituted to enforce any of the provisions contained in the Governing Documents, 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 cost of such suit. In the event the ASSOCIATION is a prevailing party in such action, the amount of such attorneys' fees and costs shall be a Specific Assessment with respect to the Lot involved in the action.

16.9 Amendment. The Association, acting through a majority of the Board, may unilaterally amend this Declaration if such amendment is necessary (i) to bring any Declaration provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots or Common Area; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Lots; or (iv) to satisfy the requirements of any local, state or federal governmental agency.

Except as otherwise specifically provided above this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 75% of the total votes in the Association.

16.10 Sidewalks and Walkways. All Lots in the PROPERTY are required to have sidewalks conforming to the City of Oklahoma City standards and consistent with the other sidewalks in the Property. The sidewalks shall be the responsibility of the Lot Owners and not the Association and shall be built before first occupancy of the home.

16.11 Drainage and Emergency Overflow. All small drainage channels, emergency overflow and other swales which are important to abutting properties but are not a part of the drainage system maintained by public authority, utility company, or association shall be the property Owner's responsibility; and it shall be the responsibility of the Owner to a) keep the easements, channels and swales free of any structure, planting or other material which may change the direction of flow or obstruct or retard the flow of surface water in the channels or swales whether they be in easements or contained on the individual Owner's Lot and; b) provide continuous maintenance of the improvements in the easements or of the channels or swales and keep the existing drainage patterns intact; except for the improvements for which a public authority, utility company or association is responsible and; c) prevent any changes in existing drainage which would adversely affect adjacent property Owners in TWIN OAKS CANYON and future Sections of TWIN OAKS CANYON. (This restriction shall be in effect after Builder completes the final grade on the new home.) It is the Owner's responsibility to maintain drainage on the Owner's Lot. The Owner is responsible for and must insure that established drainage patterns are not impeded by landscaping, decking, pools, driveways, walls, etc. This responsibility includes but is not limited to hiring a licensed civil engineer to design a plan that will maintain the established drainage when a pool is installed and it shall be the responsibility of the Owner to see that the engineer's plan is implemented in such a way as to not adversely impact adjacent property Owners. The ASSOCIATION has or may have obligations to the City of Oklahoma City, for, among other things, various drainage structures required by the City in connection with City approval of the various plats of TWIN OAKS CANYON.

16.12 Exclusion from Membership. Any lands developed for non-residential usage will not be eligible for membership in the ASSOCIATION unless owned by the Association.

16.13 Association's Authority to Determine Common Areas. The Association, at its option, may obtain additional property which may be designated as Common Area solely at the Association's discretion.

16.14 Restriction on Assignment. The ASSOCIATION shall not transfer or deed any portion of the Common Areas to any party without the consent of Owners representing an aggregate ownership interest of Eighty percent (80%), or more.

17. NOTICES, DISCLOSURES AND DISCLAIMERS

17.1 Inspection of Association Documents. The Declaration, Certificate of Incorporation, and Bylaws are available for inspection at the offices of the ASSOCIATION.

17.2 Dedication of Common Area. Transfer of land to the Association shall be at such time and under such conditions as determined in the sole discretion of the Association. Common Areas shall not be open to Members until such times as the Association determines. The Association makes no promises or guarantees of any kind as to improvements on the Common Areas and will make only such improvements as determined by the Association. Much of the Commons Areas may be left completely natural by the Association.

17.3 Walls, Fences, or Enclosures of Property. The Association may construct future fences, enclosures, or walls with the type of composition and character as the Association in its sole discretion determines. Every Owner within the PROPERTY acknowledges and agrees by purchasing a Lot within the PROPERTY that the Association is not making and specifically disclaims any warranties or representations of any kind of character, express or implied, with respect to the walls, fences or enclosures of TWIN OAKS CANYON, including, but not limited to, warranties or representations as to the manner, quality, state of repair or lack of repair of the walls, fences or enclosures of TWIN OAKS CANYON. The Owner agrees that it has not relied upon and will not rely upon, either directly or indirectly, any statement, representation or warranty of the Association or any agent of the Association. Each Owner acknowledges and agrees that the walls, fences or enclosures of TWIN OAKS CANYON and accepts the walls, fences or enclosures "AS IS, WHERE IS."

17.4 This Declaration pertains only to TWIN OAKS CANYON and in no way expands the authority of the ASSOCIATION except to expressly authorize and require membership in the ASSOCIATION for Member Owners of TWIN OAKS CANYON as further set forth in the Certificate of Incorporation and Bylaws of the Association.

17.5 Easement.

17.5.1 Easement Reserved. The Association reserves the right to locate, construct, erect and maintain or cause to be located, constructed, erected and maintained in and on the areas indicated on the plat easements and in all Common Areas, sewer or other pipe lines, conduits, poles and wires and any other method of conduction or performing any public or quasi-public utility or function above or beneath the surface of the ground with the right of access at any time to the same for the purpose of repair and maintenance; that where easements are provided along the rear of the Lot or Lots,

then in that event all sewer and other pipe lines, conduits, poles and wires may be installed under the streets throughout the addition where necessary to carry same across the street.

17.5.2 Easement For Cross Drainage. Every Lot and the Common Area shall be burdened with easements for natural drainage of storm water run-off from other portions of TWIN OAKS CANYON. The Association reserves for itself, successors, assigns and designees the right to alter drainage flows to allow the development of additional lands in the vicinity of TWIN OAKS CANYON. This right includes, but is not limited to, the right to increase storm water run-off from other land across any Lot, or any portion thereof, but not the dwelling thereon. All Owners are subject to this easement for cross drainage and are given notice that (a) their ability to use their privately owned property is limited thereby, and (b) their use, enjoyment and marketability of their property can be affected by this provision. By acceptance of a deed, each Owner acknowledges and agrees to this easement.

[SIGNATURE PAGES FOLLOWING]

EXHIBIT "A"

LEGAL DESCRIPTION

ALL OF TWIN OAKS CANYON PHASE I, AN ADDITION TO THE CITY OF OKLAHOMA CITY, CANADIAN COUNTY, OKLAHOMA, ACCORDING TO THE RECORDED PLAT THERETO.

EXHIBIT "B"

Initial Use Restrictions and Rules

The following restrictions shall apply to all of the PROPERTY until such time as they are amended, modified, repealed or limited by Rules of the ASSOCIATION adopted pursuant to Section 3 of the Declaration.

1. General. The PROPERTY shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any Managing Agent retained by the ASSOCIATION or business offices for the ASSOCIATION) consistent with this Declaration.

2. Single Family Residences. All Lots herein shall be occupied as single family residences only. No residence may be owned or occupied for any commercial purpose.

2.1 Minimum Square Footage. Unless otherwise stated herein, no residence shall contain less than One Thousand Five Hundred (1,500) square feet of living space and one two-car garage. The Association hereby reserves the right to grant exceptions to this requirement at its option.

2.2 Improvements and Alterations: Plans and Specifications: Approvals. Except for construction by the Association, no building, fence, wall or other improvements or structure, including mail boxes, shall be commenced, erected, placed, moved or maintained upon the Property nor shall any exterior addition to or change in any improvement located in the Property, be made until the complete plans and specifications showing the precise and exact nature, kind, shape, height, setback, materials, color and location of the same shall have been submitted in duplicate to and approved in writing (by the Architectural Committee as more fully described below) 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. The Architectural Committee may waive this requirement, at its option, by the written authorization upon the terms and conditions set forth in said writing.

2.3 Exterior Requirements. The exterior of any residence shall be at least eighty percent (80%) brick, stone or stucco, and twenty percent (20%) may be of frame or other material which will blend together with the brick, stone or stucco. It is the intention of this restriction to allow panels of materials other than brick, stone or stucco to be used, but in no event shall a continuing wall consisting of eighty percent (80%) of the exterior of the residence be built of any material other than brick, stone or stucco. This restriction is intended to encourage the use on the principal exterior of residences of masonry construction, but may be modified to allow the use of other materials to blend with the environment to eliminate repetition of design. In no event shall outbuildings be of a material other than that used on the residence. Chimney materials must be brick, stone, or stucco to the top of the residence. Chimney materials must be brick, stone, or stucco to the top of the first floor plate except where the chimney is on the interior or contained within a covered porch or patio, in which case it may be of other appropriate material.

2.4 Storage and Other Detached Structures. Detached storage buildings are permitted so long as the structure conforms to the exterior requirements contained in the section above.

2.5 Driveways: Sidewalks: Mailboxes. All Lots shall have a three foot concrete sidewalk across the front of the Lot (and side of the Lot on any corner Lot), which sidewalk shall lie within six feet of the curb and adjoin any existing sidewalk on adjacent Lots. All driveways must be concrete construction. Mailboxes shall be of brick construction with address plate.

2.6 Roofs. Roofs shall be thirty (30) year composition roofing, weathered wood in color, or as approved in writing by the Architectural Committee. Roof pitch shall not be less than 6/12.

2.7 Fences. All fences shall be of wood, brick, rock or wrought iron construction and may not exceed ninety-six (96) inches in height.

2.8 Erosion Control; Recovery of Damages; Lien Rights. All Lots shall contain barriers or other appropriate structures to prevent erosion from a Lot to any street, Common Area, Lot or drainage area. All Builders and Owners are responsible and liable for erosion emanating from their Lot. Should a Builder or Owner fail to take proper measures to prevent erosion then that Builder or Owner shall be liable to the Association for all costs of cleanup and preventable construction. The Association is hereby granted the right to erect erosion control structures on any Lot that fails to install proper safeguards. Any costs associated with cleanup or construction of preventative measures shall be a lien upon the Lot and shall bear interest and costs in the same manner as any other unpaid assessment.

2.9 Trash Receptacles and Portable Restroom Facilities. Builders must provide trash receptacles and portable restroom facilities on the Lot at all times during construction.

3. Restricted Activities. The following activities are prohibited within the PROPERTY unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board of Directors:

(a) No trailer, recreational vehicle, mobile home, commercial vehicle, truck (other than standard size pickup truck, "standard size" meaning $\frac{3}{4}$ ton or less), inoperable vehicle, boat or similar equipment shall be permitted to remain upon any Lot, Common Area or street, except within a completely enclosed garage, except temporarily. For purposes of this restriction "temporarily" means a period of less than 24 hours. Commercial vehicles shall not include sedans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Association. No noisy or smoky vehicles shall be operated on the Property. No off-road unlicensed motor vehicles shall be maintained or operated on the Property.

No power equipment, workshops or car maintenance shall be permitted on any Lot as a commercial venture. Car maintenance, other than routine servicing of vehicles (oil change, car wash, etc.), shall not be conducted on the Property except wholly within the garage of the Lot.

(b) No animals, livestock or poultry of any kind shall be raised, bred, or kept on any Lot, except that dogs, cats, and household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose. According to Oklahoma City Ordinances, not more

than three dogs may be kept on each Lot; dogs and cats must be restrained behind a fence, or on a leash, or in a building at all times; dogs and cats must be annually licensed by the City and annually vaccinated against rabies; dogs and cats must wear immunization and registration tags on the collar or harness at all times. Residents must carry a pick up scooper with them when they are walking their pet for the purpose of picking up the pet's excretion;

- (c) Any activity which emits foul or obnoxious odors outside the Lot or creates noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of other Lots;
- (d) Any activity which violates local, state or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of violation;
- (e) Pursuit of hobbies or other activities which tend to cause an unclean, unhealthy or untidy condition to exist outside of enclosed structures on the Lot;
- (f) Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Lots;
- (g) All Lots should be kept and maintained in a neat and orderly manner, including routine repairs and maintenance, landscaping and mowing.
- (h) Outside burning of trash, leaves, debris or other materials, except during the normal course of construction of a dwelling on the Lot;
- (i) Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Lots, except alarm devices used exclusively for security purposes;
- (j) Use and discharge of firecrackers and other fireworks;
- (k) Dumping of grass clippings, leaves or other debris, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake, or elsewhere within the PROPERTY, except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize runoff, and Builders may dump and bury rocks and trees removed from a building site on such building site;
- (l) Accumulation of rubbish, trash, or garbage except between regular garbage pick ups, and then only in approved containers;
- (m) Obstruction or re-channeling of drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that the ASSOCIATION shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent;
- (n) No Lot shall be physically split or subdivided into two or more parcels by any means. For the purpose of the preceding sentence, "any means" includes but is not limited to deeds,

mortgages or liens, mortgage or lien foreclosures, partition suits or any other means whatsoever. Notwithstanding anything herein contained to the contrary, Lot lines may be re-drawn, and Lots in TWIN OAKS CANYON may be reallocated into a different Lot or Lots so long as the number of Lots of TWIN OAKS CANYON is not increased and the redrawing or reallocation is approved by the Architectural Committee;

- (o) Discharge of firearms; provided, the Board shall have no obligation to take action to prevent or stop such discharge;
- (p) On-site storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Lot for emergency purposes and operation of lawn mowers and similar tools or equipment, and the ASSOCIATION shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment;
- (q) Any business, trade, garage sale, moving sale, rummage sale, or similar activity, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Lot; (ii) the business activity conforms to all zoning requirements for the PROPERTY; (iii) the business activity does not involve regular visitation of the Lot by clients, customers, suppliers, or other business invitees or door-to-door solicitation of the residents of the PROPERTY; and (iv) the business activity is consistent with the residential character of the PROPERTY and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the PROPERTY, as may be determined in the sole discretion of the Board.

The terms "business" and "trade" as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether; (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

Leasing of a Lot shall not be considered a business or trade within the meaning of this subsection;

- (r) Capturing, trapping of wildlife within the PROPERTY, except in circumstances posing an imminent threat to the safety of Persons using the PROPERTY;
- (s) Any activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within the PROPERTY or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution;
- (t) Conversion of any carport or garage to finished space for uses as an apartment or other integral part of the living area on any Lot without prior approval pursuant to Section IV;
- (u) Operation of motorized vehicles on pathways or trails maintained by the ASSOCIATION;

- (v) Construction, erection, or placement of anything, permanently or temporarily, on the outside portions of the Lot, whether such portion is improved or unimproved, except in strict compliance with the provisions of Section 4 of the Declaration. All exterior items must follow architectural Design Guidelines. If item is not specified in the Design Guidelines, then the Owner must request architectural changes through the Architectural Committee;
 - (w) Use of go-carts and motorized scooters on any portion of the PROPERTY and for any purpose whatsoever;
 - (x) The construction or maintenance of a billboard or advertising boards or structures on any Lot in TWIN OAKS CANYON is prohibited. No sign of any kind shall be displayed to the public view on any Lot except one professional sign of not more than one square foot, one sign of not more than five square feet advertising the property for sale or rent, or signs, used by a Builder to advertise the property during construction and sales period;
 - (y) Basketball backboards may be erected at the Lots in the Property. Basketball hoops shall be kept in good condition and repair, having no signs of rust or ragged nets. Permanent fixtures in particular must meet these considerations. If a portable hoop does not comply with design guidelines, it must be stowed after use. Each backboard must have a free-standing structure supporting it and may not be attached to a house. The supporting structure must be constructed from rust-resistant steel and maintained at all times, i.e., supporting structure to be kept completely painted and free of dirt and any marking giving it an unsightly appearance. The backboard must be constructed from a plastic and/or fiberglass material and must be kept clean and free of any marking which gives it an unsightly appearance. A backboard which is cracked must be removed or replaced immediately. The net must be free of all rips and tears and shall be replaced by the Owner whenever it becomes unsightly. The rim must be kept painted and free of dirt and any markings which give it an unsightly appearance. The rim must be kept perpendicular to the backboard in a standard basketball installation. No offensive activity is permitted which results from use of the basketball backboard;
 - (z) No skateboard or bicycle ramps may be constructed on any Lot or Common Area;
 - (aa) No artificial grass, plants, or other artificial vegetation shall be placed or maintained upon the frontal portion of any Lot, unless approved by the Architectural Committee;
4. Prohibited Conditions. The following shall be prohibited within the PROPERTY;
- (a) Plants, animals, devices or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the PROPERTY; and
 - (b) Structures, equipment or other items on the exterior portions of a Lot which have become rusty, dilapidated or otherwise fallen into disrepair.
5. Leasing of Lots. "Leasing," for purposes of this Paragraph, is defined as regular, exclusive occupancy of a Lot by any Person, other than the Owner for which the Owner receives any consideration or benefit, including, but not limited to, a fee, service, gratuity, or emolument. All leases shall be in

writing. The Board may require a minimum lease term. Notice of any lease, together with such additional information as may be required by the Board, shall be given to the Board by the Lot Owner within ten (10) days of execution of the lease. The Owner must make available to the lessee copies of the Declaration, Bylaws, and the Use Restrictions and Rules.

EXHIBIT "C"

BYLAWS OF TWIN OAKS CANYON HOMEOWNERS ASSOCIATION, INC.

The name of the organization shall be Twin Oaks Canyon Homeowners Association, Inc.

ARTICLE I PURPOSE AND PARTIES

1. Governance of Regime. The purpose for which this nonprofit corporation is formed is to own, manage and maintain the Common Areas and other properties of the Association in the planned Lot development known as Twin Oaks Canyon hereinafter referred to as the "Project", situated in the County of Canadian, State of Oklahoma, which property is described in the various Declarations of Covenants, Conditions and Restrictions ("Declaration") of the Twin Oaks Canyon Additions and which property has been submitted to the regime created by the Real Estate Development Act of the State of Oklahoma by the recording of the Declaration of Covenants, Conditions and Restrictions in Book 3294, Page 1, records of the County Clerk's office of Canadian County. All definitions contained in the Declaration, and any amendments thereto, shall apply hereto and are incorporated herein by reference.
2. Owners Subject to These Bylaws; Acceptance of Bylaws. All present or future Owners, tenants, future tenants of any Lot, or any other Person who might use in any manner the Common Areas or any facilities or property of the Association are subject to the provisions and any regulations set forth in these Bylaws. The mere acquisition, lease or rental of any Lot or the mere act of occupancy of a Lot will signify that these Bylaws are accepted, approved, ratified, and will be complied with.

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

1. Membership. Except as is otherwise provided in the Declarations, the Articles of Incorporation or in these Bylaws, ownership of a Lot in the Twin Oaks Canyon development is required in order to qualify for membership in this Association. Any Person on becoming an Owner of a Lot shall mandatorily and automatically become a Member of this Association and be subject to the Bylaws. Such membership shall terminate without any formal Association action whenever such Person ceases to own a Lot, but such termination shall not relieve or release any such former Owner from any liability or obligations incurred under or in any way connected with this Association, during the period of such ownership and membership or impair any rights or remedies which the Owners have, either through the Board of Directors of the Association or directly, against such former Owner and Member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.
2. Voting. There shall be one vote per one Lot owned. Co-Owners or joint tenants may only exercise one vote. No fractional votes are allowed. No Lot Owner who is not current in their annual dues may vote at any meeting.
3. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of one-third (1/3rd) of the Owners shall constitute a quorum. In the event a quorum is not present, then

the meeting called shall be adjourned, and, if notice has not already been given, notice of a new meeting for the same purposes within two (2) to four (4) weeks shall be sent by mail, at which meeting the number of Owners represented in person or by proxy shall be sufficient to constitute a quorum. An affirmative vote of a majority of the Members either in person or by proxy shall be required to transact the business of the meeting. THERE IS NO QUORUM REQUIREMENT FOR THE ELECTION OF DIRECTORS AT ANY ANNUAL MEETING.

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

ARTICLE III ADMINISTRATION

1. Association Responsibilities. The Twin Oaks Canyon Homeowners Association, Inc. hereinafter referred to as "Association", will have the responsibility of administering the Property through a Board of Directors. The Association shall have the direct obligation and responsibility for maintenance, operation and repair of the Common Areas. It is the intent of this Declaration to require the Association to maintain all areas outside any Lot line including any improvements made by the original developer (Declarant) or the Board of Directors for the benefit of the neighborhood.

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

3. Annual Meetings. Annual meetings of the Association shall be held each year. The date, time and place shall be set by the Board of Directors which shall be designed to be as convenient as possible for all Members to attend. At such meetings there shall be elected by ballot of the Members a Board of Directors in accordance with the requirements of Paragraph 5 of Article IV of these Bylaws. The Owners may also transact such other business of the Association as may properly come before them.

4. Special Meetings. It shall be the duty of the President to call a special meeting of the Members as directed by resolution of the Board of Directors or upon a petition signed by a majority in voting interest of the Owners and having been presented to the Secretary or Assistant Secretary of the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of two-thirds (2/3), in interest, of the Owners present, either in person or by proxy. Any such meetings shall be held after the first annual meeting and shall be held within thirty (30) days after receipt by the President of such resolution or petition.

5. Notice of Meeting. It shall be the duty of the Secretary or Assistant Secretary of the Association to mail a notice of each meeting (annual or special), by first class mail with postage prepaid thereon, stating the purpose thereof as well as the time and place it is to be held, to each Owner of record at least ten (10) days, but not more than thirty (30) days, prior to such meeting. The mailing of notice in the manner provided in this paragraph shall be considered notice served. Notice of the annual meeting of the Association may also include notice of the subsequent meeting to be held in the event a quorum is not achieved at the called meeting.

6. Order of Business. The order of business at all meetings of the Owners shall be determined by the Board of Directors. In lieu of a written agenda by the Board of Directors the order of business shall be as follows:

- (a) Determination of quorum (except for election of directors);
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading and disposal of unapproved minutes (unless waived);
- (d) Reports of officers and committees;
- (e) Election of Directors (regardless of the presence of quorum), as applicable;
- (f) Unfinished business;
- (g) New business; and
- (h) Adjournment.

ARTICLE IV BOARD OF DIRECTORS

1. Number, Qualification and Appointment or Election. There shall be no less than three (3) and no more than seven (7) Members of the Association elected to the Board of Directors, who shall govern the affairs of this Association until their successors have been duly elected and qualified. The number of Directors may be increased or decreased at any annual meeting of the Members. In the event the number of Directors is an even number and there is a tie vote the President shall be entitled to one extra vote for the purpose of breaking the tie. Nominations for election as a Director at any annual meeting of the Members shall be taken from the floor from any qualified Owner. No Owner who is not current in their annual dues may nominate or be nominated to be a Director.

2. General Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential project. The Board of Directors may do all such acts and things except as prohibited by law or by these Bylaws or by the Declaration.

3. Other Powers and Duties. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the Owners of the project:

(a) Administration. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration submitting the property to the provisions of the Real Estate Development Act of the State of Oklahoma, the Bylaws of the Association and supplements and amendments thereto.

(b) Rules and Regulations; Fines. To establish, make and enforce compliance with such reasonable rules as may be necessary for the operation, use and occupancy of the project with the right to amend same from time to time. The procedures for adoption, hearing and imposition of fines are set forth in the Declaration. The amount of a fine adopted by the Board shall be included in the adopted Rules and Regulations. The term "fine" or "fines" shall be synonymous with Specific Assessment as provided within the Declaration.

(c) Maintenance of Common Areas. To keep in good order condition and repair all of the Common Areas and all items of common personal property used by the Owners in the enjoyment of the entire premises.

(d) Insurance. To insure and keep insured all of the insurable interests of the Association, all as further described in Article VII.

(e) Budget; Determination of Assessments; Increase or Decrease of Same; Levy of Special Assessments. To prepare an annual budget. To levy and collect special assessments, whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

(f) Enforcement of Assessment Lien Rights. To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an Owner who may be in default as is provided for in the Declaration and these Bylaws. To collect interest at the rate set by the Board of Directors in connection with assessments remaining unpaid more than thirty (30) days from due date for payment thereof, together with all expenses, including attorney's fees incurred.

(g) Protect and Defend. To protect and defend the entire premises from loss and damage by suit or otherwise.

(h) Borrow Funds. To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws not to exceed, however, the sum of \$10,000.00 without a majority vote of approval from all Lot Owners; and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary.

(i) Contract. To enter into contracts within the scope of their duties and powers.

(j) Bank Account. To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

(k) Manage. To make repairs, additions, alterations and improvements to the Common Areas consistent with managing the Project in a first class manner and consistent with the best interests of the Members.

(l) Books and Records. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof by each of the Owners and each first mortgagee, and to cause a review of the books and accounts by a qualified Person once a year.

(m) Annual Statement. To prepare each year a statement showing receipts, expenses, and disbursements since the last such statement(s) and provide a copy of those statement(s) to any Owner requesting same.

(n) Meetings. To meet at least quarterly, provided that any Board of Directors meeting may be attended and conducted by telephone or other device which permits all of the Directors in attendance to participate in such meeting, and provided further that any action required to be taken at any meeting of the Board of Directors, or any action which may be taken at such meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Board.

(o) Personnel. To designate, employ and dismiss the personnel necessary for the maintenance and operation of the Common Areas or other administration of the project.

(p) Administration of Association. In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of this Project.

(q) Managing Agent. The Board of Directors may employ for the Association a management agent (Managing Agent) who shall have and exercise all of the powers granted to the Board of Directors by the Declaration and Bylaws.

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

(s) Ownership of Lots. To own, convey, encumber, lease or otherwise deal with Lots conveyed to it as the result of enforcement of the lien for common expenses or otherwise.

(t) All Things Necessary and Proper. To do all things necessary and proper for the sound and efficient management of the Project.

(u) Tax Exempt Status. To determine each year the advisability of election of tax exempt status under the appropriate Section of the Internal Revenue Code of 1954.

4. No Waiver of Rights. The omission or failure of the Association or any Owner to enforce the covenants, conditions, restrictions, easements, use limitations, obligations or other provisions of the Declaration, the Bylaws or the regulations and Rules adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors or the Managing Agent shall have the right to enforce the same thereafter.

5. Election and Term of Office; Staggered Office. The terms of the Directors should be staggered so that approximately one-half of the authorized Directors are elected each year. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided. If a successor has not been elected at the end of a Director's term, that Director's term shall be extended until a successor has been elected.

6. Vacancies in Board. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors; even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a vote of two-thirds (2/3) of the Members entitled to vote, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. Should any Director miss three consecutive regular meetings of the Board of Directors or be more than sixty (60) days delinquent in the payment of any dues or assessments, they shall be automatically removed from the Board and a successor selected and approved by the Board to fill their unexpired term.

8. Directors' Organization Meeting. The organizational meeting of a newly elected Board of Directors shall be held immediately following the annual Members' meeting, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

9. Directors' Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one such meeting shall be held during each calendar quarter. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

10. Directors' Special Meetings. Special meetings of the Board of Directors may be called by the President on five (5) days' notice to each Director, given personally, by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special Meetings of the Board of Directors shall be called by the President or Secretary or Assistant Secretary of the Association in like manner and on like notice on the written request of one or more Directors.

11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by them of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

12. Board of Directors' Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

13. Compensation. No member of the Board of Directors shall receive any compensation for acting as such. However, members of the Board of Directors or Association may be reimbursed for expenses incurred by them in the performance of Association business. Compensation does not include gifts of appreciation or condolences to any Member or outgoing Directors.

ARTICLE V FISCAL MANAGEMENT

The provision for fiscal management of the Association for and on behalf of all of the Members as set forth in the Declaration shall be supplemented by the following provisions:

1. Fiscal Year. The fiscal year of the Association shall be the calendar year.
2. Assessments; Due Date; Adjustment; Commencement. Association assessments shall be collected as set out within the Declaration.
3. Accounts. The funds and expenditures of the Members by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be Common Expenses:
 - (a) Current or Common Expenses, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves and to additional improvements.
 - (b) Reserves for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.
 - (c) Reserves for replacement (sinking funds), which shall include funds for repair or replacement required because of damage, wear or obsolescence.
 - (d) Capital improvements, which shall include funds for construction of new improvements for which reserves for replacement have not been established.

ARTICLE VI OFFICERS

1. Designation. The officers of the Association shall be a President, Vice President, Secretary, Treasurer and Chairman of the Maintenance Committee, all of whom shall be members of and elected by the Board of Directors, and such assistant officers as the Board shall, from time to time, elect. Such assistant officers need not be members of the Board of Directors, but each shall be an Owner of a Lot.
2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office subject to the continuing approval of the Board.
3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may have their office removed either with or without cause, and their successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. Members of the Board may only be removed by vote of the Owners as provided elsewhere in these Bylaws.
4. President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Association and of the Board of Directors unless absent. The President shall have

all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the Owners from time to time as the President may, in their discretion, decide are appropriate to assist in the operation of the Association or as may be established by the Board or by the Members of the Association at any regular or special meeting.

5. Vice President. The Vice President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or the President's inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties as directed to perform by the President.

6. Secretary.

(a) The Secretary shall keep all the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Association and shall have charge of such books and papers as the Board of Directors may direct; and the Secretary shall, in general, perform all the duties incident to the office of Secretary and as is provided in the Declaration and the Bylaws.

(b) The Secretary shall compile and keep up to date at the principal office of the Association a complete list of Members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each Member's name the number or other appropriate designation of the Lot owned by such Member. Such list shall be open to inspection by Members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

7. Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. The Treasurer shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. In the event a Managing Agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the Managing Agent within fifteen (15) days after the first day of each month.

ARTICLE VII INSURANCE

1. General Insurance Requirement. To insure and keep insured all of the insurable Common Areas of the Property, including structures and other improvements thereon, in an amount equal to their maximum replacement value. To insure and keep insured all of the common fixtures, equipment and personal property for the benefit of the Owners of the Lots and their mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts not less than \$250,000.00 per person and \$1,000,000.00 per accident and \$100,000.00 property damages if reasonably available in the board's sole discretion. And to obtain such other insurance policies as deemed appropriate by the Board of Directors.

**ARTICLE VIII
INDEMNIFICATION OF OFFICERS,
DIRECTORS AND MANAGING AGENT**

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

2. No Personal Liability. Contracts or other commitments made by the Board of Directors, Officers or the Managing Agent shall be made as agent for the Members, and they shall have no personal responsibility on any such contract or commitment (except as Members), and the liability of any Member on such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest each Member bears to the total assets of the Association.

**ARTICLE IX
AMENDMENT TO BYLAWS**

1. Amendments to Bylaws. These Bylaws may be amended by the Association at a duly constituted meeting called for such purpose or in any regular meeting so long as the notice of such meeting sets forth the complete text of the proposed amendment. No amendment by the Association shall be effective unless approved by a 2/3rds vote of the Members and memorialized in a writing signed by the Board of Directors.

**ARTICLE X
EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS
AND DESIGNATION OF VOTING REPRESENTATIVE**

1. Proof of Ownership. Any Person, on becoming an Owner of a Lot, shall furnish to the Managing Agent or Board of Directors a true and correct copy of the original or a certified copy of the recorded instrument vesting that Person with an interest or ownership in the Lot, which copy shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor shall they be entitled to vote at any annual or special meeting of Members unless this requirement is first met.

2. Closing and Acknowledgment of Restrictions. In conjunction with furnishing to parties such as closing agents, notice of any lien claim by the Association for unpaid dues and assessments the Board of Directors, or Managing Agent, shall require the seller-Lot Owner, or the closing agent, to obtain from the purchaser of a Lot a signed acknowledgement of receipt of a copy of the Declaration, Articles of Incorporation, Bylaws and the Rules or regulations of the Association, if any. Copies of these instruments will be furnished by the Association for this purpose to every Lot Owner, closing or transfer agent or purchaser.

3. Registration of Mailing Address. The Owner or several Owners of an individual Lot shall have one and the same registered mailing address to be used by the Association for mailing of annual statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a Person or Persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of an Owner or Owners shall be furnished by such Owner(s) to the Managing Agent or Board of Directors within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the Owners of the Lot or by such persons as are authorized by law to represent the interest of the Owner(s) thereof.

4. Designation of Voting Representative Proxy.

(a) If a Lot is owned by one Person, their right to vote shall be established by the record title thereto. If title to a Lot is held by more than one Person or by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, such Owners shall execute a proxy appointing and authorizing one Person or alternate Persons to attend all annual and special meetings of Members and thereat to cast whatever vote the Owner themselves might cast if they were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty (30) days after such revocation, amendment or termination, the Owners shall reappoint and authorize one Person or alternate Persons to attend all annual and special meetings as provided by this Paragraph.

(b) The requirements herein contained in this Article shall be first met before an Owner of a Lot shall be deemed in good standing and entitled to vote at an annual or special meeting of Members.

ARTICLE XI OBLIGATIONS OF THE OWNERS

1. Assessments. All Owners shall be obligated to pay the assessments imposed by the Association to meet the Common Expenses as set out within the Declaration. A Member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of Members, within the meaning of these Bylaws, if, and only if, they shall have fully paid all assessments made or levied against them and the Lot or Lots owned by them, and is not in violation of any Rule or regulation of the Association then in force.

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

3. General.

(a) Each Owner shall comply strictly with the provisions of the recorded Declaration and these Bylaws and amendments thereto.

(b) Each Owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this Project was developed.

4. Use of Lots.

(a) All Lots shall be utilized only for residential purposes except as are otherwise provided in the Declaration and plat.

5. Use of General Common Areas. Each Owner may use the Common Areas, sidewalks, pathways, roads and streets located within the entire Project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners.

ARTICLE XII

FINES; ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS; DISPUTE RESOLUTION

The Board of Directors shall, at its sole option and discretion, have available the following power and authority for the enforcement of the Declaration, the Bylaws of the Association, and any Rules and Regulations duly adopted by the Board.

1. Abatement and Enjoinment. Subject to the provisions contained in this Article, the violations of any Rule or regulation accepted by the Board of Directors, or the breach of any Bylaws, or the breach of any provision of the Declaration, shall give the Board of Directors or the Managing Agent the right, in addition to any other rights set forth therein, (i) to enter the Lot on which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Lot Owner, any Person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or Managing Agent shall not be deemed guilty in any manner of trespass, and to expel, remove and put out, using such force as may be necessary in so doing, without being liable to prosecution or any damages thereof; and (ii) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

2. Imposition of Fines; Due Process. The Board of Directors may impose fines for the violation of the Governing Documents as set out more fully within the Declaration.

Fines. The Association is authorized to adopt fines for the enforcement of the Governing Documents. To such end, the Owners authorize the following procedures and fine schedule:

Fining Procedures

1. Upon the occurrence of a covenant violation, the Board may send a First Warning Letter to the Owner, giving notice of the covenant violation, the steps necessary to correct such violation, and providing the Owner 15 days to correct the covenant violation.
2. Upon the expiration of the 15 days, the Board may assess a fine. If a fine is assessed to an Owner, the Board will cause the Owner to receive written notice of any assessed fine. Such

written notice may provide the Owner additional information and resources regarding the Governing Documents, Board activities, and the fine procedures and schedule.

3. Fines may be secured by a lien in like manner as assessments as specific assessments. Such lien may be foreclosed in like manner as assessment liens.

Fine Schedule

1. Upon the first occurrence of a covenant violation, the Board may assess a fine in the amount of \$25.00.
2. Upon the occurrence of the same covenant violation in a subsequent thirty day period, the Owner may be fined in \$25.00 increments (i.e. second month's fine is \$50.00, third month's fine is \$75.00, etc.).
3. Should an Owner fail to correct a covenant violation within five months from the date of the first occurrence of the covenant violation, the Board may assess a fine in the amount of \$250.00 per month.
4. If during any point in the fining an offense is corrected but then reappears within a calendar year, it will be considered a major offense with a charge of \$250.00 to correct it.
5. Each violation is considered its own separate offense and will be addressed individually.
6. Recreational and water vehicles are allowed on property for 48 hours per the covenants, after which they must be removed or an immediate fine will be issued with subsequent daily fines in the amount of \$30 each day until the vehicle is removed. If the vehicle is removed but brought back for another consecutive 48 hours, the fining will resume after that period expires. If the vehicle is only removed for one day or two in an attempt to circumvent the 48 hour rule, thereby keeping the vehicle parked an average of 4 to 5 days a week, the fine will double to \$60 a day until removed.

3. Denial of use of Common Areas. Should any Owner be in default in the payment of any assessments, or other sums due under the terms of the Declaration or these Bylaws, or be in violation of any of the terms of the Declaration, these Bylaws, or any Rule or regulations then in force, after due notice to correct such violation, then in any of such events, such Owner may be denied the use of any of the Common Areas until such default or violation is appropriately cured.

ARTICLE XIII COMMITTEES

1. Designation. The Board of Directors may, but shall not be required to, appoint an executive committee, and it may designate and appoint members to standing committees or special ad hoc committees for any useful or worthwhile purpose to function in an advisory capacity to the Board of Directors. The Board may establish rules for the conduct of these committees and may delegate responsibility to those committees. Suggested committees for the Board to consider appointing and their respective membership are as follows:

(a) Welcoming Committee. The welcoming committee, consisting of at least three (3) persons, shall have the responsibility of assisting new residents in settling into their Lots and becoming a part of the Association by means of, among other things, a homeowner brochure, a directory of other residents, a shopping guide, information on local facilities, and a school district guide.

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

amenities of the Association by means of developing an ongoing program of interaction and involvement.

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

(d) Maintenance Committee. The maintenance committee shall have primary responsibility for the day-to-day performance and planning of all maintenance, replacement and repair of the Common Areas and Association property. Members of the maintenance committee shall be chosen by the Board of Directors so as to allow proportional representation of Lots. The maintenance committee shall also be responsible for estimating future needs for replacement and repair of the Common Areas and Association property and presenting that plan to the Board of Directors sixty (60) days prior to the budget being due.

(e) Architectural Committee. The Architectural Committee, consisting of at least five (5) persons, shall be chaired by a Board member and shall be responsible for the approval or denial of any requests for changes, additions or alterations to any structure on a Lot.

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

ARTICLE XIV COMPENSATION

This Association is not organized for profit. No Member, member of the Board of Directors, Officer or Person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary, credit for dues or compensation to, or distributed to, or inure to the benefit of any Member of the Association or the Board of Directors, provided, however, that any Member, Director or Officer may, from time to time, be reimbursed for their actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

If it is determined a Member has received compensation for services performed the Association shall be entitled to pursue reimbursement of those funds from the Member and from the individual Directors authorizing payment.

ARTICLE XV EXECUTION OF DOCUMENTS

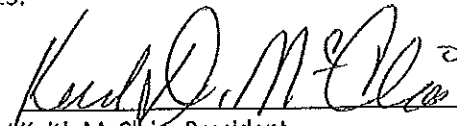
The persons who shall be authorized to execute any and all contracts, documents, instruments or conveyances or encumbrances, including promissory notes, shall be the President or Vice President and the Secretary or Assistant Secretary of the Association.

ARTICLE XVI
MISCELLANEOUS


1. Conflict in Documents. In the event that any inconsistency or conflict exists between the Items of the Declaration, these Bylaws, or any Rule or regulation then in force, the Inconsistency or conflict shall in every instance be controlled by the Declaration.

2. Exculpation of Unavoidable Loss. The Association shall not be liable for any loss to any Owner or inflicted upon any Lot or the property of the Owner situated therein, brought about by flooding, water damage caused by burst pipes, acts of God or other force majeure. It is intended that for losses of this nature each Owner will bear the same or effect their own insurance to cover the same. Each Owner may obtain additional insurance at their own expense for their own benefit. Insurance coverage on all Lot improvements, furnishings and decorations and other items of real and personal property belonging to an Owner and casualty and public liability insurance coverage within each individual Lot are specifically made the responsibility of the Owner thereof.

IN WITNESS WHEREOF, the undersigned, being all of the directors of the Association, have hereunto set our hands this 20 day of JULY, 2015.


Keith McClain, President


Julie Harris, Secretary


Nikki Slayton, Treasurer