

By-Laws
Of
Arrowhead Valley Association, Inc.

Article I

This corporation shall be known as Arrowhead Valley Association, Inc.

Article II

This principal place of business shall be at 2500 South Broadway, Suite 150, Edmond, Oklahoma 73034. Other offices may be maintained at such other places as the Directors may from time to time determine.

Article III

The purpose for which this non-profit corporation is formed is:

(a) To organize and operate an association to provide for the acquisition, construction, management, maintenance and care of association property.

(b) To acquire and own and provide for the maintenance and management of certain common areas located within Arrowhead Valley a subdivision in Edmond, Oklahoma, and to provide maintenance services for said property, all in accordance with the Declaration of Covenants, Conditions and Restrictions filed for record in the office of the County Clerk of Oklahoma County, Oklahoma, on July 25, 1984, and recorded in Book 5205 at Page 24 of the records of Oklahoma County, Oklahoma.

Article IV

All definitions contained in said Declaration shall apply hereto and are incorporated herein by reference. Any member of the Association as defined in said Declaration is subject to the provisions and regulations set forth in these by-laws.

Article V

Every person who is a record owner of a fee or undivided interest in any single-family residential lot covered by said Declaration and any future declaration covering all or any part of the subdivision which is subject by covenants of records to assessment by the Association, including contract sellers, shall be a member of the association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more than one membership for each lot. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment by the Association. Ownership of such lot shall be the sole qualification for membership.

Article VI

The Association shall have two (2) classes voting membership as follows:

Class A. Class A Members shall be all those owners of single-family residential lots, with the exception of Financial I & A, Inc. Each Class A Member shall be entitled to one vote for each lot in which he holds the interest required for membership by Article V. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall

be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Class B. Class B Member(s) shall be Financial I & A, Inc. The Class B Member (s) shall be entitled to three (3) votes for each lot in which it holds the interest required for membership by Article V. The Class B membership shall cease and be converted by Class A membership on the happened of either of the following events, whichever first occurs:

- (a) When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership or
- (b) On January 1, 1990;
- (c) Or earlier if in its discretion Financial I & A, Inc. so determines.

From and after the happening of these events, which ever occurs earlier, the Class “B” member shall be deemed to be a Class “A” Member entitled to one vote for each lot in which it holds the interest required for membership under Article V hereof.

Article VII

Meetings of the membership in this Association shall be held at least annually on the last Tuesday in October of each year beginning the year 1985. Special meetings may be held a t any time upon the call of the Board of Directors or upon written request of two-thirds of the members of the Association delivered to the Secretary of the Association. However, no meeting shall be called or held within sixty days of the preceding meeting. At any meeting of the members of the Association, the presence at the meeting of members or of proxies entitled to cast a majority of all the votes of each class of membership shall constitute a quorum; provided, however, that if the required quorum is not present at any meeting duly called, the members present, though less than a quorum, may give notice to all members as required herein for the transaction to be considered, at an adjourned meeting, and at the adjourned meeting one-half (1/2) of the required quorum at the preceding meeting shall constitute a quorum.

The Secretary of the Association shall mail a notice of each meeting, stating the purposes thereof, the items on the agenda, including the general nature of any proposed Amendment to the Declaration or By-laws, as well as the time and place it is to be held, to each member not less than ten days nor more than thirty days prior to said meeting.

At each annual meeting, the members shall elect a Board of Directors consisting of three members who shall serve for the ensuing year and conduct such other business as may properly come before the meeting.

Article VIII

The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the maintenance of the common areas.

The 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 members of the Association:

(a) Administration. To administer and enforce the covenants, conditions and restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration of Covenants and Restrictions recorded in Book 5205 at page 24 of the records of Oklahoma County, Oklahoma, and Amendments thereto.

(b) Rules. To establish, make and enforce compliance with such rules as may be necessary for the operation, use and occupancy of the common areas, with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each owner within five days following the adoption thereof.

(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 the project and keep it insured in an amount equal to its maximum replacement value. Further, to obtain and maintain comprehensive general liability insurance coverage for at least One Million Dollars (\$1,000,000.00) per occurrence, for bodily injury and property damage.

(e) Budget; Determination of Assessments; Increase or Decrease Same; Levy of Special Assessments. To prepare a budget for the project, at least annually, determine the amount of common charges payable by the owners to meet the common expenses of the project, and allocate and assess such common charges among the owners according to the respective common ownership interests in and to the common areas, and by a majority vote of the Board to adjust, decrease or increase the amount of the annual assessments, and remit or return any excess of assessments over expenses, working capital, sinking funds, reserve for deferred maintenance and for replacement to the owners at the end of each operating year. 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 By-laws. To collect interest at the rate of fifteen percent (15%) per annum in connection with assessments remaining unpaid more than fifteen (15) 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 of these By-laws and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary. Such indebtedness shall be the several obligations of all of the owners in the same proportion as their interest in the common areas.

(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 the first class manner and consistent with the best interests of the members.

(l) Annual Statement. To prepare and deliver annually to each owner a statement showing receipts, expenses and disbursements since the last such statement.

(m) Meetings. To meet at least once semi-annually 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.

(n) Personal. To designate, employ and dismiss the personnel necessary for the maintenance and operation of the common areas or other administration of the project.

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

(p) Managing Agent. To 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 By-laws except for the powers of attorney-in-fact set forth in the Declaration.

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

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.

At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by two-thirds (2/3) or the owners, 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 (3) consecutive regular meetings of the Board of Directors, he shall be automatically removed from the Board and a successor selected and approved by the Board to fill his unexpired term.

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 (1) such meeting shall be held semi-annually. Notice of regular meetings of the Board of Directors shall be given to each

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Director, personally or by mail, by telephone or by telegraph, at least five (5) days prior to the day named for such 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, by telephone or by 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 of the Association in like manner and on like notice on the written request of one or more Directors.

Before or at any meetings 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 him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required any business may be transacted at such meeting.

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.

The Board of Directors may require that all officers, directors, managers, trustees and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity insurance or bonds. The premium on such insurance or bonds shall be a common expense.

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.

Article IX

The officers of the Association shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board of the Directors, and such assistant officers as the Board shall from time to time elect. Such officers, other than the President, need not be a member of the Board of Directors.

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.

Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may have his office removed either with or without cause, and his 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 members as provided elsewhere in these By-laws.

The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors unless he is absent. He shall have all of

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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 members from time to time as he may, in his 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 meetings.

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 his inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties he is directed to perform by the president.

The Secretary shall keep all the minutes of the meetings of the board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary and as is provided in the Declaration of the By-laws. The Secretary shall compile and keep up the 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.

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. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to 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 X

Indemnification. The Association may indemnify, through insurance, commonly known as directors and officers liability insurance, every Director, officer, Managing Agent, their respective successors, personal representatives and heirs, against all loss, cost and expenses, including counsel fees, reasonable incurred by him in connection with any action, suit or proceedings to which he may be made a party by reason of his being or having been a Director, officer or Managing Agent of the Association, except as to matters as to which he 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 his 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.

Article XI

Amendments to By-laws. These By-laws may be amended in writing 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 shall be effective unless approved by a seventy-five (75%) percent vote of the members and unless set forth in an amended Declaration and duly recorded.

Article XII

Proof of Ownership. Except for those owners who initially purchase a lot from Financial I & A, Inc., 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 of a lot, which copy shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting or members unless this requirement is first met.

Registration of Mailing Address. The owner or several owners of a lot shall have one and the same registered mailing address to be used by the Association for mailing of monthly 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.

Designation of Voting Representative-proxy. If a lot is owned by one person, his 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 himself might cast if he 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. The requirements herein contained in Article XIII 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 XIII

Assessments. All members shall be obligated to pay the annual assessments imposed by the Association to meet the common expenses. The assessments imposed hereunder shall be due and payable annually in advance. The amount of such assessments may be altered in accordance with the Declaration of Covenants and Restrictions. 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 By-laws, if, and only if, he shall have fully paid all assessments made or levied against him and the lot

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or lots owned by him, and is not in violation of any rule or regulation of the Association then in force.

Lien. The obligation 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.

General. Each owner shall comply strictly with the provisions of the recorded Declaration and these By-laws and amendments thereto.

Use of Common Areas. Each member may use the common areas and sidewalks 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 members.

Article XIV

It is understood that these By-laws apply to all of the property described in the Declaration of Covenants and Restrictions for Arrowhead Valley recorded in Book 5205 at Page 24 of the records of Oklahoma County, Oklahoma, which will be developed in four or more sections. In addition to the property described in said Declaration of Covenants and Restrictions for Arrowhead Valley, other adjacent or adjoining properties may be included, in which event the owners of lots in said additional property shall also be members of Arrowhead Valley Association, Inc., and subject to these By-laws.

Article XV

Section 1. If additional phases are dedicated and platted to Arrowhead Valley, any common areas would also qualify as use for the members and ultimately be owned by the Association. Until such time as record ownership of the common areas is vested in the Association, the members of the Association shall have the exclusive right to use the common areas as hereinafter specified.

Section 2. Every member shall have a right and easement of enjoyment in and to the common areas and such easement shall be appurtenant to and shall pass with the title to every assessed lot, subject to the following provisions:

(a) The right of the Association to limit the number of guests of members, the common areas which may be used by guests or members, and the conditions under which common areas may be used by member and/or their guests, subject to the terms and provisions hereof.

(b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the common areas.

(c) The right of the Association, in accordance with its Articles of Incorporation and By-laws and with the assent of two-thirds (2/3) of each class of members, to borrow moneys for the purpose of improving the common areas and facilities and in aid thereof to mortgage said common areas or any portion thereof, and the rights of said mortgagee in said properties shall be subordinate to the rights of the members hereunder.

(d) The right of the Association to suspend the voting rights and right to use of the recreational facilities by a member for any period during which any assessment against his lot remains unpaid; and for a period not to exceed sixty (60) days for an infraction of its published rules and regulations.

(e) The right of the Association to dedicate or transfer all or any part of the common areas to any public agency, public authority or utility for such purposes and subject to such conditions as may be agreed to by the members of the Association; provided, however, that no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer and signed by two-thirds (2/3) of each class of members is filed of record in the office of the County Clerk for Oklahoma County.

Section 3. Any member may delegate, in accordance with the By-laws, his right of enjoyment to the common area and facilities to the members of his family, his tenants or contract purchasers who reside on the property, subject to such rules, regulations and limitations as the Association may, from time to time, establish.

Section 4. Financial I & A, Inc., has covenanted that it will convey fee simple title to the common areas as shown by the recorded plats of the various sections of Arrowhead Valley to the Association when the required percentage of residences are occupied as set forth in the Declaration of Covenants and Restrictions hereinabove referred to.

Section 5. The Association shall control, maintain, manage and improve the common areas as provided in said Declaration and in its Articles of Incorporation and By-laws. Such right and power of control and management shall be exclusive.

Section 6. Any other provision hereof to the contrary notwithstanding, all members of the Association, regardless of class, shall have and possess the right to use and enjoy all of the common areas and all facilities and improvements thereon owned by the Association, which right may not be denied to any member of any class without consent of all members of all classes, provided, however, that:

(a) The Board of Directors of the Association may from time to time establish rules and regulations governing the use of the Association's common areas by members of all classes and their guests; provided, that such rules and regulations as from time to time adopted shall be uniform as to all members regardless of class.

Article XVI

Section 1. Creation of Lien and Personal Obligation of Assessment. Financial I & A, Inc., for each lot owned within the properties and for each additional lot which may hereafter come within the jurisdiction of the Association, and each owner of any lot in any platted area which is a part of the subdivision, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay the Association: (1) Annual assessments or charges; and (2) Special Assessments for capital improvements; such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the

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property against which each such assessment is made, pursuant and superior to any homestead or other exemption provided by law, which lien may be enforced by the Association and may be foreclosed in any manner provided by the laws of the State of Oklahoma for the foreclosure of mortgages or deeds of trust, with or without power of sale. Each such assessment, together with such interest, costs and reasonable attorney's fees shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them; but, nevertheless, the lien above mentioned arising by reason of such assessment shall continue to be a charge and lien upon the land as above provided.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety and welfare of the property owners, and, in particular, for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the common areas and of dwellings, homes and other structures situated upon the insurance thereon, repairs, replacements and additions thereto, ad valorem and other property taxes and assessments levied thereon, for the cost of labor, equipment, materials, management and supervision thereof, and utility services for the common areas.

Section 3. Basis and Maximum of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be as follows;

<u>Type of Member</u>	<u>Amount</u>
Class A	\$60.00 per year
Class B	\$20.00 per year per lot

(a) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conjunction with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July.

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment as to any or all classes of members may be increased above that established by the Consumer Price Index formula by a vote of the members for the succeeding years provided that, any such charge as to any class shall have the assent of one-half (1/2) of the members of each such class, pursuant to votes cast in person or by proxy, at a meeting called for this purpose, written notice of which shall be sent to all members not less than thirty (30) nor more than sixty (60) days in advance of the meeting setting out the purpose of the meeting.

(c) After consideration of current maintenance costs and future needs of the Association, the Board of Directors of the Association may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, as to any or all classes of members, a special assessment applicable to that year only, for the purpose of defraying, By-Laws Of Arrowhead Valley Association, Inc.

in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the common areas, including the necessary fixtures and personal property related thereto; proved that, any such assessment as to any class shall have the assent of at least one-half (1/2) of the members of such class of members, pursuant to votes cast in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting; provided further, that the maximum amount of any special assessment which may be assessed against any member of any class in any assessment year shall not exceed an amount equal to twice the annual dues assessed against said members for the same year.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for each class of members and is to be collected on an annual basis.

Section 6. Commencement Date of Annual Assessments. The annual assessments provided for herein shall commence as to each lot on the first day of the calendar month following the date on which a single-family home is constructed thereon and first occupied by the owner or by any other person occupying all or any part of such structure with the consent of the owner, whether such occupancy be by lease or otherwise. Within ten (10) days after a single-family home is initially occupied by any person, whether by lease or otherwise, the owner thereof shall furnish written notice of commencement of such occupancy to the Association. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due date(s) shall be established by the Board of Directors. The Association shall, upon demand at any time, furnish a certificate in writing signed by any officer of the Association setting forth whether the assessments on a specified lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid.

Section 7. Effect of Non-Payment of Assessments and Remedies. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after its due date, the assessment shall bear interest from its due date at an annual rate of one and one-half percent (1 1/2 %) per month, and the Association may bring an action at law against the owner personally obligated to pay same, and/or foreclose the lien against the property as provided by the laws of the State of Oklahoma for the foreclosure of a mortgage or deed of trust, with or without power of sale; and interest costs and reasonable attorneys' fees of such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common areas or abandonment of his lot.

Section 8. Subordination of Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first lien priority real estate mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot which is subject to any mortgage or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessments as to payment thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 9. Exempt Property. The following property subject to said Declaration shall be exempt from the assessments:

(a) All properties dedicated to and accepted by a local public authority;

(b) The common areas;

(c) All property designated for commercial use; and

(d) All properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Oklahoma, except any such land or improvements devoted to dwelling shall not be exempt from said assessments.

ADOPTED this 20th day of February, 1985.

95238

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
ARROWHEAD VALLEY

FILED:

RECORDED: BOOK 52 PAGE 100

THIS DECLARATION, made on this 23rd day of July, 1984 by Financial I&A, Inc., an Oklahoma Corporation, organized under and existing by virtue of the laws of the state of Oklahoma, hereinafter referred to as "DECLARANT".

W I T N E S S E T H

WHEREAS, DECLARANT is the owner of certain real property located in the City of Edmond, Oklahoma County, State of Oklahoma, which is more particularly described as:

A part of the NE-1/4 of Section 5, T 13 N, R 2 W, I. M., to the City of Edmond, Oklahoma County, Oklahoma and Being more particularly described as follows:

BEGINNING: At a point on the north line of said NE- 1/4, said point being 495.00' east of the NW corner of said NE-1/4,
THENCE: N 89° 54'45" E along the north line of said NE-1/4 for a distance of 450.00',
THENCE: S 0° 14'45" W and parallel with the west line of said NE-1/4 for a distance of 438.66',
THENCE: N 89° 55'04" E for a distance of 3.90',
THENCE: S 0° 14'45" W and parallel with the west line of said NE-1/4 for a distance of 438.67',
THENCE: N 89° 55'23" E for a distance of 740.70',
THENCE: S 0° 14'45" W for a distance of 438.74', to a point on the south line of the N-1/2 of said NE-1/4,
THENCE: S 89° 55'43" W along said south line for a distance of 1490.00' to a point 199.60' east of the west line of said NE-1/4,
THENCE: N 0° 14'45" E and parallel with said west line for a distance of 318.60',
THENCE: N 47° 38'35" E for a distance of 401.32',
THENCE: N 0° 14'45" E and parallel with the west line of said NE-1/4 for a distance of 727.25' TO THE POINT OR PLACE OF BEGINNING.

Said described tract contains 24.21 acres.

AND WHEREAS, it is the purpose of this Declaration to cause said real property to be surveyed and platted, in stages under the name of "ARROWHEAD VALLEY" as a subdivision and to create and include as part thereof permanent open areas at the entrance and along E 15th street

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ARROWHEAD VALLEY

with improvements, landscaping, fencing and signage erected or to be erected thereon, and other common facilities for the benefit of this particular community;

AND WHEREAS, DECLARRANT desires to provide for the preservation of the values and amenities in said community and the upkeep, maintenance, improvement and administration of the community and its open areas, and all improvements now existing or hereafter erected thereon and to establish an entity and agency for such purpose and, in addition, to collect and disburse the assessments and charges hereafter created;

AND WHEREAS, there will be incorporated under the laws of the State of Oklahoma, as a non-profit corporation, an entity to be known as Arrowhead Valley Association, Inc., for the purpose of exercising the aforementioned functions;

NOW THEREFORE, DECLARRANT hereby declares that the real property described in Article III hereof is and shall be held, sold, conveyed and occupied subject to the conditions, covenants, restrictions, dedications, easements, charges and liens (hereinafter sometimes referred to as "covenants and restrictions") hereinafter set forth, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property. These covenants and restrictions shall run with the real property and shall be binding on all parties having or acquiring any right, title or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. The following words, when used in this Declaration or any Supplemental Declaration (unless the context shall so prohibit), shall have the following meanings:

A. "Association" shall mean and refer to Arrowhead Valley Association, Inc., a non-profit corporation to be incorporated under the laws of the State of Oklahoma, its successors and assigns.

B. "Properties" shall mean and refer to that certain real property described in Article III, and such additions thereto and other real property wherein the "subdivision" as hereinafter defined as may hereafter be annexed thereto and/or brought within the jurisdiction of and subject to assessment by the Association.

C. "Common Areas" shall mean all real property, whether improved or unimproved, owned, leased or controlled by the Association for the common use and enjoyment of members of the Association. The Common Area to be owned by the Association at the time of the conveyance of the first Lot during this initial stage of development is described as Block A and is shown on the attached plat.

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

E. "Corner Lot" shall mean any lot which abuts other than at its rear line upon more than one street and/or Common Areas.

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F. "Street" shall mean any street, lane, drive boulevard, court, circle, road, place, or manor or terrace as shown on the attached plat.

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

H. "Building Limit Line" shall mean the line so designated on the attached plat.

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

J. "Fences" shall mean the following where the context so indicates:

(1) "Adjoining Fences" shall refer to two or more separate fences which adjoin and are exposed to public view.

(2) "Common Area Fences" shall refer to any fence on a Lot which is adjacent to, abuts, or borders any Common Area.

(3) "Association Fences" shall refer to any fence erected or placed on any Common Area or along easements and around the entrance.

K. "Declarant" shall refer to Financial I&A, Inc., an Oklahoma Corporation, its successors or assigns.

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

M. "Subdivision" shall mean all or any part of the Property described at the beginning of this declaration and additional adjoining property in which the DECLARANT may cause to be added to ARROWHEAD VALLEY.

N. "Frontage" or "Fronts" shall mean the direction or way the major elevation of the house or structure erected on a Lot shall face.

ARTICLE II

FUTURE INTENT

Section 1. Although this initial Declaration includes only the real property described in Article III hereof, the Declarant may cause additional declarations to be filed with respect to any additional land to be included in the subdivision, which additional declarations will be complementary in concept to this Declaration, and which future declarations will provide for the addition of owners in such other areas as members of the Association and of additional Common Areas to be owned by the Association. During its existence, the Association will include, as members, every owner within the subdivision.

Each member of the Association will be subject to its Articles of Incorporation, By-laws, rules and regulations, as from time to time established and/or amended. The Common Areas which will be owned by the Association, are included in the attached plat and shown as Block A, and could ultimately include other lands within the subdivision which are not included in this plat.

Section 2. If within Fifteen (15) years of the date of incorporation of the Association, the DECLARANT should develop additional lands within the subdivision; such additional lands may be annexed to the said Properties without the consent of the Members.

ARTICLE III

PROPERTY SUBJECT TO THIS DECLARATION

The real property which is, and shall be held, transferred, sold, conveyed and occupied, subject to this Declaration is located in the City of Edmond, Oklahoma County, State of Oklahoma, and is more particularly described as follows:

All of the Lots in Blocks 1 thru 3, all inclusive, as shown by the recorded plat thereof.

ARTICLE IV

MEMBERSHIP IN THE ASSOCIATION

Every person who is a record owner of a fee or undivided interest in any single-family residential Lot covered by this Declaration and any future declaration covering all or any part of the Subdivision which is subject by covenants or records to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more than one membership for each Lot. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

ARTICLE V

OWNERSHIP, USE AND MANAGEMENT OF THE COMMON AREAS

Section 1. It is contemplated that all of the Common Areas in the subdivision will ultimately be owned by the Association. Until such time as record ownership of the Common Areas is vested in the Association, the members of the Association shall have the exclusive right to use the Common Areas as hereinafter specified.

Section 2. Every Member shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

A. The right of the Association to limit the number of guests of Members, the Common Areas which may be used by guests or Members, and the conditions under which Common Areas may be used by Members and/or their guests, subject to the terms and provisions hereof.

B. The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Areas.

C. The right of the Association, in accordance with its Articles of Incorporation and By-laws and with the assent of two-thirds (2/3) of each class of members, to borrow moneys for the purpose of improving the Common Areas and facilities and in aid thereof to mortgage said Common Areas or any portion thereof, and the rights of said mortgagee in said properties shall be subordinate to the rights of the members hereunder.

D. The right of the Association to suspend the voting rights and right to use of the recreational facilities by a Member for any period during which any assessment against his Lot remains unpaid, and for a period not to exceed sixty (60) days for an infraction of its published rules and regulations.

E. The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, public authority or utility for such purposes and subject to such conditions as may be agreed to by the Members of the Association, provided, however, that no such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer and signed by two-thirds (2/3rds) of each class of members is filed of record in the office of the County Clerk for Oklahoma County.

Section 3. Any Member may delegate, in accordance with the By-laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants or contract purchasers who reside on the property, subject to such rules, regulations and limitations as the Association may, from time to time, establish.

Section 4. DECLARANT hereby covenants for itself, its successors and assigns, that it will convey fee simple title to the Common Area described as Block A, as shown in the attached plat to the Association free and clear of all encumbrances and liens, upon the occupancy as a residence of 25% of all Lots in Blocks 1 thru 3 inclusive.

Section 5. The Association shall control, maintain, manage and improve the Common Areas as provided in this Declaration and in its Articles of Incorporation and By-laws. Such right and power of control and management shall be exclusive.

Section 6. Any other provision hereof to the contrary notwithstanding, all members of the Association, regardless of class, shall have and possess the right to use and enjoy all of the Common Areas and all facilities and improvements thereon owned by the Association, which right may not be denied to any Member of any class without consent of all Members of all classes, provided, however, that:

(a) The Board of Directors of the Association may from time to time establish rules and regulations governing the use of the Association's Common Areas by Members of all classes and their guests; provided, that such rules and regulations as from time to time adopted shall be uniform as to all Members regardless of class.

ARTICLE VI

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR ARROWHEAD VALLEY

CLASSES OF MEMBERS AND VOTING RIGHTS

The Association shall have two (2) classes of voting membership as follows:

Section 1. Voting Classes

Class A. Class A Members shall be all those Owners of single-family residential Lots with the exception of DECLARANT. Each Class A member shall be entitled to one vote for each Lot in which he holds the interest required for membership by Article IV. When more than one person holds such interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. Class B member(s) shall be the DECLARANT. The Class B members shall be entitled to three (3) votes for each Lot in which it holds the interest required for membership by Article IV. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever first occurs.

- (a) When the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or
- (b) On January 1, 1990,
- (c) Or earlier if in its discretion the DECLARANT so determines.

From and after the happening of these events, whichever occurs earlier, the Class "B" member shall be deemed to be a Class "A" member entitled to one vote for each Lot in which it holds the interest required for membership under Article IV hereof.

ARTICLE VII

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation of Assessment. The DECLARANT, for each Lot owned within the Properties and for each additional Lot which may hereafter come within the jurisdiction of the Association, and each Owner of any Lot in any platted area which is a part of the Subdivision, by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay the Association: (1) annual assessments or charges; and (2) special assessments for capital improvements; such assessments to be fixed, established, and collected from time to time as hereinafter provided. The annual and special assessments, together with such interest thereon, and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made, pursuant and superior to any homestead or other exemption provided by law, which lien may be enforced by the Association and may be foreclosed in any manner provided by the laws of the State of Oklahoma for the foreclosure of mortgages or deeds of trust, with or without power of sale. Each such assessment, together with such interest, costs and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them but,

nevertheless, the lien above mentioned arising by reason of such assessment shall continue to be a charge and lien upon the land as above provided.

Section 2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively for the purpose of promoting the health, safety and welfare of the property owners, and, in particular, for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas and of dwellings, homes and other structures situated upon the Properties, including, but not limited to, the maintenance of insurance thereon, repairs, replacements and additions thereto, ad valorem and other property taxes and assessments levied thereon, for the cost of labor, equipment, materials, management and supervision thereof, and utility services for the Common Areas.

Section 3. Basis and Maximum of Annual Assessments. Until January 1, of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessments shall be as follows:

Type of Member	Amount
Class A	\$60.00 per year
Class B	\$20.00 per year per lot

A. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conjunction with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July.

B. From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment as to any or all classes of members may be increased above that established by the Consumer Price Index formula by a vote of the members for the next succeeding year and at the end of such period of one (1) year, for each succeeding one (1) year; provided that, any such charge as to any class shall have the assent of one-half (1/2) of the members of each such class, pursuant to votes cast in person or by proxy, at a meeting called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) nor more than sixty (60) days in advance of the meeting setting out the purpose of the meetings.

C. After consideration of current maintenance costs and future needs of the Association, the Board of Directors of the Association may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, as to any or all classes of Members, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto; provided that, any such assessment as to any class shall have the assent of at least one-half (1/2) of the Members of such class of members, pursuant to votes cast in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to

all Members not less than thirty (30) nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting; provided further, that the maximum amount of any special assessment which may be assessed against any Member of any class in any assessment year shall not exceed an amount equal to twice the annual dues assessed against said Members for the same year.

Section 5. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for each class of Members and may be collected on a quarterly basis.

Section 6. Quorum for Meetings. At any meeting of the Members of the Association, the presence at the meeting of Members or of proxies entitled to cast a majority of all the votes of each class of membership shall constitute a quorum; provided; however, that if the required quorum is not present at any meeting duly called, the Members present, though less than a quorum, may give notice to all Members as required herein for transaction to be considered, at an adjourned meeting, and at the adjourned meeting one-half (1/2) of the required quorum at the preceding meeting shall constitute a quorum. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Commencement Date of Annual Assessments. The annual assessments provided for herein shall commence as to each Lot on the first day of the calendar month following the date on which a single-family home is constructed thereon and first occupied by the Owner or by any other person occupying all of any part of such structure with the consent of the Owner, whether such occupancy be by lease or otherwise. Within ten (10) days after a single-family home is initially occupied by any person, whether by lease or otherwise, the Owner thereof shall furnish written notice of commencement of such occupancy to the Association. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due date (s) shall be established by the Board of Directors. The Association shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board of the issuance of these certificates. Such certificate shall be conclusive evidence of the payment of any assessment therein stated to have been paid.

Section 8. Effect of Non-Payment of Assessments and Remedies. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after its due date, the assessment shall bear interest from its due date at an annual rate of one and one-half percent (1 ½%) per month, and the Association may bring an action at law against the Owner personally obligated to pay same, and/or foreclose the lien against the property as provided by the laws of the State of Oklahoma for the foreclosure of a mortgage or deed of trust, with or without power of sale; and interest costs and reasonable attorneys' fees of such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

Section 9. Subordination of Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any first lien priority real estate mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a decree of foreclosure under such first lien priority mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to

payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessment:

(a) All properties dedicated to and accepted by a local public authority;

(b) The Common Areas;

(c) All property designated for commercial use; and

(d) All properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Oklahoma, except any such land or improvements devoted to dwelling shall not be exempt from said assessments.

Section 11. Change of Ownership. Any person becoming an owner shall, within ten (10) days next following the recording of a deed reflecting such person as an Owner, give written notice to the Association that such person has become an Owner.

ARTICLE VIII

USES OF LAND

The following:

Lots 1 to 23, both inclusive, Block 1

Lots 1 to 26, both inclusive, Block 2 and

Lots 1 to 16, both inclusive, Block 3;

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

Block A shall be used as a common area only.

No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon which may be or may become a nuisance or annoyance to the neighborhood.

ARTICLE IX

ARCHITECTURE, SIZE, MATERIAL, PLOTTING AND FENCING

Section 1. Architecture. Complete plans including elevations, floor plans and specifications for any structure proposed to be erected must first be submitted to the Declarant and written approval thereof obtained from the Declarant prior to the commencement of any construction upon all Lots. If the Declarant does not act within thirty (30) days, the structure may be considered approved.

Section 2. Size and height. Residences constructed shall be the height and contain the minimum floor space, as follows:

All Lots, Blocks 1 to 3 inclusive, one or two story – 2200 square feet minimum;

In computing the required square footage, the basement, attached porches and garages shall be excluded.

Section 3. Materials. The principal exterior of any residence shall be a least sixty (60%) percent brick, stone or stucco, and forty (40%) percent may be of frame, asbestos, shingles or other material which will blend together with the brick, stone or stucco. It is the intention of this restriction to allow panels of other materials than brick, stone or stucco to be used, but in no event shall a continuing wall consisting of forty (40%) percent of the exterior of the residence be built of any material other than brick, stone or stucco. This restriction is intended to restrict the principal exterior of residences to masonry in their construction, but is modified to allow the use of other materials to blend with the masonry to eliminate repetition of design. Any deviation from the above must be approved, in advance, by the Declarant.

Roofs are to be of wood shingles, shakes, clay, tile, or stone; any other roofing materials to be used shall be subject to the approval, in advance, of their use by the Declarant.

In computing the required square footage of ground floor space for masonry, the doors and windows are excluded and the vertical space is from the exterior finish grade to the top of the top plate of the first floor.

Section 4. Plotting. The complete set of plans, materials, size, use of structure, plot plan, etc., shall be submitted to the Declarant for its written approval in advance of construction of all Lots.

Section 5. Fencing. All fencing of the following types must be approved by the Declarant in advance of its installation:

- (a) Common Area fence;
- (b) Association fence;
- (c) Any other fence which will extend beyond the front of any building structure;
- (d) Adjoining fence.

The back boundary of Lots 1, 2, and 3 in Block 3 (which denotes the easement along E. 15th street) to be fenced in a like manner in order to provide design continuity for the entire subdivision. This fence to be provided by developer and maintained at the expense of the Arrowhead Valley Association, Inc. No additional fencing by the owners to rear of these Lots will be approved by the Declarant.

All adjoining fences must be set back at least two (2) feet from the front of any building structure upon which the fences may abut, unless such fence is determined by the Declarant to be the equivalent of the building structure. All common area fences, if the only fence present at that location shall be maintained by the owner of the abutting Lot. These restrictions may be waived, in whole or in part, by the Declarant.

Section 6. Construction Period. Upon commencement of excavation for construction on any Lot or Lots in this plat, the work must be continuous, weather permitting, until the house and other improvements are completed. No delay in the course of construction within a period of twelve (12) months will be permitted, unless further extension of time for the completion of said house improvements is given by the Declarant. If no such consent is given, the Declarant or its designee may, but shall not be obligated to, complete such construction.

Section 7. Landscaping. Landscaping shall be required on all sites with completion of other improvements and shall conform to a landscape plan approved by the Declarant.

Factors to be considered may include but shall not be limited to whether the plans meet the following criteria:

- (a) Planting beds to represent approximately twenty (20%) percent of the ground footage of home.
- (b) Preserve existing trees to the extent practical
- (c) Provide at least two trees of 2" caliber (either existing or to be planted) in the area between the building line and the street right-of-way.
- (d) Permit reasonable access to utility lines and easements for installation and repair.
- (e) Lawn sodding, seeding or hydromulching to be encouraged but not required.

ARTICLE X

SET-BACK OF BUILDING STRUCTURES FROM STREETS

No building structure or part thereof, except as hereinafter provided, shall be erected or maintained on any of the following lots:

All Lots, Blocks 1 to 3,
Nearer to the front street, rear street or the side street than the front building limit line or the side building limit line of the aforementioned Lots, except as shown on said plat.

Any deviation from the above must have the prior written approval of the Declarant, provided, however, that any such deviation shall not constitute a violation of the set-back requirements of the ordinances of the City of Edmond, Oklahoma.

ARTICLE XI

FREE SPACE (SIDE SET-BACKS)

No part of any building structure on the Following Lots:

All Lots, Blocks 1 to 3,

Shall be erected nearer than five feet (5'), to the side property line except that cornices, spouting chimneys and ornamental projections may extend two feet (2') nearer said side property line. If the

Declarant approves a one and one-half or two-story house, then the Owner shall conform to the side set-back lines as established from time to time by the ordinances of the City of Edmond.

ARTICLE XII

PARKING, STORAGE AND EASEMENTS

No parking and/or storage of trailers, boats and/or vehicles which are not normally used as every-day transportation will be allowed on streets, Lots or Common Areas, except where adequate screening has been previously provided and the Declarant has given its prior approval thereto.

The Declarant reserves the right to locate, construct, erect, and maintain, or cause to be located, constructed, erected and maintained in and on the Common Areas and the areas indicated on the plat as easements, sewer and other pipeline conduits, poles and wires, and any other method of conducting or performing any 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.

The Owner of any Lot abutting the Common Area and who must, in order to avail himself of utilities enter and/or cross a Common Area, shall have an easement to do so provided that said Lot owner shall use the most direct, feasible route in entering upon and crossing said Common Area and shall restore the surface of the Common Area so entered and/or crossed to its original condition, at the sole expense of the Lot owner.

ARTICLE XIII

REARRANGING, RE-SUBDIVIDING OR RE-PLATTING

No rearranging, re-subdividing or re-platting may be done without the prior written consent of the Declarant.

ARTICLE XIV

SIGNS, BILLBOARDS AND MISCELLANEOUS STRUCTURES

No signs or billboards will be permitted upon any of the Lots except those advertising the sale or rental of any such property, provided that such signs do not exceed six square feet in area, or those for which written approval has been obtained in advance from the Declarant. With the prior written consent of the Declarant, signs will be permitted on the Common Areas for the purpose of identification, direction of ownership and may exceed six square feet in area.

Every outbuilding, except a greenhouse erected on any of said Lots, shall, unless the Declarant otherwise consents in writing correspond in style and architecture to the residence to which it is appurtenant.

Outbuildings such as cabanas, greenhouses, playhouses, pergola and similar buildings erected on any said Lots shall be approved, in advance of construction, by the Declarant within thirty (30) days after submission.

ARTICLE XV

GENERAL

No tank for the storage of oil or other fluid may be maintained above the ground on any of the Lots.

No pergola or any detached structure or building for purely ornamental or other purposes shall be erected on any part of any Lot in front of the building limit line without the prior written consent of the Declarant.

The keeping or housing of poultry, cattle, horses, or other livestock, or any kind or character, is prohibited on any Lot or Block in ARROWHEAD VALLEY.

No trash, ashes or other refuse may be thrown or dumped in any Lot or Common Area in this section. All garbage and trash storage must be screened from the view of the public.

No garage or outbuilding on any Lot shall be used as a residence or living quarters.

No house or outbuilding shall be moved to any Lot from another locality, without the prior consent of the Declarant. No building or other structure shall be constructed or maintained upon any Lot which would in any way impede natural drainage without the prior consent of the Declarant. No grading, scraping, excavation or other rearranging or puncturing of the surface of any Lot shall be commenced which will or may tend to interfere with, encroach upon or alter, disturb or damage any surface or subsurface utility line, wire or easement, or which will or may tend to disturb the minimum or maximum subsurface depth requirement of any utility line, pipe, wire or easement.

No drilling or puncturing of the surface for oil, gas or other minerals or hydrocarbons or water or combinations thereof, shall be permitted without the prior written consent of the Declarant.

Each Owner of any Lot which abuts a Common Area and upon which abutting portion is erected a fence, building, structure, landscaping, bushes, hedges, trees or similar improvement along said common border, must maintain a strip one foot (1') in width parallel to facilitate the mowing of the Common Area by tractor or other similar mowing machine.

No swimming pool drainage systems will drain onto the Common Areas.

No outdoor clothes lines are permitted.

No Basketball goals or courts may be placed or constructed on the front of any house, garage or in front of any house.

Accessory structures including, but not limited to, exterior antennas, radio or television transmission or reception towers and disks, satellite reception antennas and the like shall not be constructed, placed or maintained in the front yard or side or on any part of a dwelling unit or garage in the subdivision. Any such accessory structure shall also be in accordance with the ordinances and regulations of the City of Edmond.

It is the intent of the Declarant that the Association maintain the Common Areas in their natural state and there by preserve the natural beauty and limit the cost of upkeep. Every effort
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shall be made to preserve the natural state of the Properties and pursuant thereto Declarant shall have, and does hereby reserve the right to approve removal of all trees which are not directly located on Lots to be improved.

Each Owner of a Lot, when construction of improvements is finished or nearly finished thereon, shall construct a sidewalk on or abutting such Lot in strict accordance with the ordinances and regulations of the City of Edmond; provided, however, that such Owner shall, at his sole cost and expense, restore any portion of the common Areas disrupted by such sidewalk construction.

Each Owner, at his sole cost and expense, shall be responsible for grassing and maintaining the right of way abutting each Owner's Lot.

ARTICLE XVI

RIGHT TO ENFORCE

The restrictions herein set forth shall run with the land and bind the present Owner, its successors and assigns, and all parties claiming by, through or under them, shall be taken to hold, agree and covenant with the owners of said Lots, their successors and assigns, and with each of them, to conform to and observe said restrictions as to the use of said Lots and the set forth shall be personally binding on any corporations, person, or persons, except in respect to breaches committed during its, his or their ownership of title to said land, and the owner or owners of any of the above land shall have the right to sue for and obtain an injunction, prohibitive or mandatory, to prevent the breach of or to enforce the observance of the restrictions above set forth in additions to the ordinary legal action for damages; and failure of companies or owner or owners of any other Lot or Lots shown in this plat to enforce any of the restrictions herein set forth at the time of its violation shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XVII

RIGHT TO ASSIGN

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

ARTTICLE XVIII

JUDGEMENT CONCLUSIVE

The Declarant shall, in all cases, have the right to say and determine which of the front street, side streets, rear and side property lines on any plot, and also the set-back from said lines necessary to conform to the requirements hereof, and also to approve and disapprove roofing materials to be used if other than wood shingles, shakes, clay tile or stone, and its judgment and determination thereof shall be final and binding on all parties. This section and the provisions contained hereinabove pertaining to written consent of the Declarant, and other rights and privileges
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of the Declarant, shall govern all of the Lots herein platted and upon conversion of the Class B membership to Class A membership all such consents, waivers or approvals required by Articles IX, X, XII, XIII, XV AND XVIII shall be exercised by the Board of Directors of the Association or by a committee of three (3) persons appointed by the Board of Directors.

ARTICLE XIX

DURATION

All of the restrictions setfor the herein shall continue and be binding upon Declarant, and upon its successors and assigns, for a period of twenty-one (21) years from the date of this instrument, and shall automatically be extended thereafter for successive periods of ten (10) years; provided, however, that during the first twenty-one (21) year term the Owners of nine-tenths (9/10ths) of the Lots and thereafter the Owners of three-fourths (3/4^{ths}) of the Lots herein platted may by a written instrument signed by all of such persons, vacate or modify all of any part of this Declaration. Any such amendment must be filed of record.

ARTICLE XX

SEVERABILITY

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

In witness whereof, the Declarant has set it's hand and seal this 23rd day of July, 1984.