

STATE OF OKLAHOMA
CLEVELAND COUNTY
FILED OR RECORDED

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BILLIE JEAN GATEWOOD
COUNTY CLERK

FIRST AMENDMENT
OF THE DECLARATION OF COVENANTS AND RESTRICTIONS

OF

COTTONWOOD RIDGE UNIT OWNERSHIP ESTATES

WHEREAS, the undersigned, The Security National Bank & Trust Company of Norman, Oklahoma, as Trustee, is the owner of all of that certain real property, and all of the improvements located thereon, located in the City of Norman, Cleveland County, State of Oklahoma, more particularly described as follows:

TRIAD (Section 2), an Addition to Norman, Cleveland County, Oklahoma, according to the recorded plat thereof;

and,

WHEREAS, the undersigned caused various documents, including but not limited to the Declaration of Covenants and Restrictions of Cottonwood Ridge Unit Ownership Estates, to be filed in the office of the Cleveland County Clerk on the 1st day of April, 1981, all of which documents are recorded in Book 1051 at Pages 262 through 298; and,

WHEREAS, the undersigned desires to amend all of said documents as hereinafter set forth; and,

WHEREAS, the undersigned desires to adopt appropriate documents to implement a regime of unit ownership estates on the real property described above;

NOW, THEREFORE, the undersigned hereby withdraws and amends those documents recorded in Book 1051 at Pages 262 through 298 to read as follows:

DECLARATION OF COVENANTS AND RESTRICTIONS
OF
COTTONWOOD RIDGE
UNIT OWNERSHIP ESTATES

This Declaration is made this 8th day of May, 1981, by The Security National Bank & Trust Company of Norman, Oklahoma, as TRUSTEE ("Declarant"), with reference to the following facts:

1. Declarant is the owner of certain real property located in the City of Norman, Cleveland County, State of Oklahoma, more particularly described as follows:

TRIAD (Section 2), an Addition to Norman, Cleveland County, Oklahoma, according to the recorded plat thereof, (the "Land").

2. Certain buildings and improvements are located on the Land, which buildings are more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Improvements").

3. Declarant desires and intends to sell and convey interests in the Land and Improvements to various persons subject to the protective restrictions, conditions, covenants, reservations, liens and charges set forth in this Declaration, and for this purpose, desires to submit the Land and Improvements to the provisions of the Oklahoma Unit Ownership Estate Act.

NOW THEREFORE, Declarant hereby declares that all the Land and Improvements are held and shall be held, conveyed, encumbered, leased, rented, used, occupied and improved subject to the following limitations, covenants, conditions, restrictions, reservations, liens, and charges, all of which are hereby declared and established and agreed to be in furtherance of a general plan and scheme for the sale of Unit Ownership Estates, and all of which are declared, and established for the purpose of enhancing and protecting the value, desirability, and attractiveness of the Land and Improvements. All of said limitations, covenants, conditions, reservations, liens, charges, and restrictions are hereby established and imposed upon the Land and Improvements for the benefit thereof and for the benefit of each and every individual Unit hereinafter described and of each owner of one or more Units, as that term is hereinafter defined, and the owners of any interest of any kind or character in the Land or Improvements, or any portion thereof.

All of said limitations, liens, covenants, conditions, reservations, charges, and restrictions shall run with the Land and shall be binding on all parties having or acquiring any right, title or interest in the Land and Improvements or any part thereof, whether as sole owner, joint owner, lessee, tenant, occupant, or otherwise.

ARTICLE I

DEFINITIONS

Whenever used in this Declaration the following terms shall have the following meanings:

1. Articles: "Articles" shall mean the duly adopted Articles of Incorporation of the Association, as the same may be amended from time to time.

2. Association: "Association" shall mean and refer to Cottonwood Ridge Homeowners Association, Inc., an Oklahoma non-profit corporation, its successors and assigns, which shall serve as the Council of Unit Owners.

3. By-Laws: "By-Laws" shall mean the duly adopted By-Laws of the Association, a copy of which is attached hereto as Exhibit "B" and made a part hereof, as the same may be amended, changed and modified from time to time.
4. Board of Directors: "Board of Directors" or "Board" shall mean the Board of Directors of the Association.
5. Building: "Building" shall mean one or more of the buildings or structures located on the Land, more particularly shown on the plans attached hereto as Exhibit "C" and made a part hereof.
6. Common Elements: "Common Elements" means the General Common Elements and the Limited Common Elements as herein defined:
- a. "General Common Elements" means and includes the Land; all utility lines, including sewerage, water, and electricity; the structural and other commonly used components of each Building and any outside walls, as shown on Exhibit "C"; roads, yards; planters; fences; shrubs; trees; walks; parking spaces; pavement; foundation; roof; exterior walls; chimneys; swimming pools and related equipment and structures; heating and air conditioning equipment; common area lighting, wiring and fixtures; signs placed on the common area; and all other areas of such Land and the Improvements thereon necessary or convenient to its existence, maintenance and safety which are normally and reasonably in common use, including the air above such Land. The interest of each Owner in such General Common Elements is as set forth in Exhibit "A" attached hereto.
 - b. "Limited Common Elements" means those Common Elements which are either limited to and reserved for the exclusive use of an Owner of a Unit or are limited to and reserved for the common use of more than one but fewer than all of the Owners. The Limited Common Elements shall be:
 - (i) the utility lines, including sewerage, water, and electricity within each Unit and other common lines running through the walls, ceiling, attic or floor of each Unit; and
 - (ii) fireplaces, if any, and the back yards, patios, and any improvements located in Limited Common Elements reserved for the exclusive use of a Unit, as depicted on Exhibit "A."
7. Common Expenses: "Common Expenses" means and includes expenses for maintenance, replacement, repair, operation, improvement, management and administration; expenses for the provision of heating and air conditioning and other expenses declared common expenses by the provisions of this Declaration and the By-Laws of the Association; and all sums lawfully assessed by the Board of Directors of the Association.
8. Common Profits: "Common Profits" means the balance of all income, rent, profits and revenues from the Common Elements and facilities remaining after the deduction of the Common Expenses.
9. Declarant: "Declarant" means The Security National Bank & Trust Company of Norman, Oklahoma, as TRUSTEE, its successors and assigns.
10. Declaration: "Declaration" means this instrument, by which the Property is submitted to the provisions of the Oklahoma Unit Ownership Estate Act, together with such amendments to this instrument as may hereafter from time to time be lawfully made.
11. Person: "Person" means an individual, corporation, partnership, association, trust or other legal entity, or any combination thereof.

12. Property: "Property" means and includes the Land, the Buildings, all Improvements and structures thereon, and all easements, rights, and appurtenances belonging thereto, submitted to the provisions of the Oklahoma Unit Ownership Estate Act.

13. Unit: "Unit" means an individual air space Unit which is contained within the interior finished surfaces of the perimeter walls, floors, ceilings, windows and doors of such Unit, all as shown on the plans filed herewith as Exhibit "C," together with all fixtures and Improvements therein contained but not including fireplaces or any of the structural components of the Building in which such Unit is located, and the means of access to the common space leading to a thoroughfare as shown on Exhibit "A."

14. Unit Designation: "Unit Designation" means the number designating each particular Unit, as set forth in Exhibit "A" attached hereto and made a part hereof.

15. Unit Owner: "Unit Owner" or "Owner" means a Person who owns a Unit.

ARTICLE II

UNIT DESIGNATIONS, DESCRIPTIONS AND INTERESTS IN COMMON ELEMENTS

The Unit Designations and a particular description of each Unit subject hereto is contained on Exhibit "A" attached hereto and made a part hereof. The proportionate interest of each Unit Owner in the Common Elements is shown on Exhibit "A" attached hereto and made a part hereof. Each Unit Owner shall be entitled to the undivided interest in the Common Elements in the ratio shown on such Exhibit, which ratio is based on the fair value of each Unit in relation to the value of all Units subject hereto.

ARTICLE III

SERVICE AGENT

The name of the person to receive service of process in actions against the Association is Gene McKown, and his address is 808 North Porter, Norman, Oklahoma, 73071.

ARTICLE IV

AMENDMENT OF DECLARATION

This Declaration shall not be revoked unless all of the Owners and all of the holders of any recorded mortgage or lien covering or affecting any or all of the Units unanimously consent and agree to such revocation by instrument(s) duly recorded. This Declaration shall not be amended unless the Owners representing an aggregate ownership interest of sixty percent (60%), or more, of the Common Elements and 75% of the holders of any recorded first mortgage or lien covering or affecting any or all Units consent and agree to such amendment by instrument(s) duly recorded. Any such amendment or revocation shall become effective upon the filing with the office of the Registrar of Deeds of Cleveland County, Oklahoma, of an instrument in writing setting forth such amendment and duly executed and acknowledged by the President of the Association, as the act and deed of the Association, and attested by the Secretary or Assistant Secretary thereof. Provided, however, that no such amendment shall make any change in the requirements for insurance made herein, nor in any way affect the security interest of any mortgage holder unless the holders of all recorded mortgages upon any Unit or the Property shall have thereto consented in writing.

ARTICLE V

RESTRICTIONS AS TO USE

1. Use and Occupancy. After the initial sale or transfer of a Unit or Units by Declarant, all such Units shall thereafter be used and occupied for single family residence purposes by the Owner, by the Owner's family or the Owner's guests; provided, however, that an Owner shall have the right to rent his Unit for a term of not less than thirty (30) days, anything less than thirty (30) days being considered leasing his Unit for transient or hotel purposes. No Unit Owner may lease less than the entire Unit. Any lease agreement is required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and the By-Laws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases are required to be in writing, and provided further, if any mortgagee forecloses on any Unit, said mortgagee shall have the right to rent said Unit upon such terms as it deems advisable until the Unit is sold. In the event of such sale, the buyer shall be subject to the terms of this paragraph.
2. Declarant's Exemption. Notwithstanding any of the foregoing, the right of Declarant to rent or lease Units prior to their initial transfer by Declarant to an Owner is hereby specifically reserved. Declarant and its employees, representatives, and agents may maintain a business and sales office, model Units and other sales facilities necessary or required until 100% of the Units are sold.
3. Offensive Use. The Owner of any Unit shall not use or allow the use of such Unit for any purpose which will be noxious, offensive or detrimental to the use of the other Units or which will create or emit any objectionable, offensive or noxious odors, dust, gases, fumes or other such material or which will in any manner violate any applicable zoning ordinance or other regulations enacted by any duly constituted governmental authority.
4. Rubbish. The storage of trash, ashes, or other refuse except in normal receptacles is prohibited, nor may weeds, underbrush or other unsightly growths be permitted to grow or remain on any Common Elements. All rubbish, trash and garbage shall be regularly removed from the Units by the Unit Owners and shall not be allowed to accumulate therein or in the Common Elements.
5. Vehicles. No trucks, (except "pickup trucks") boats, campers, recreational vehicles, motor homes or large commercial vehicles, nor any vehicle in the process of being repaired or otherwise presently inoperable, shall be stored or parked on the Common Elements within the Property.
6. Offensive Activity. No noxious or offensive activity shall be carried on nor shall anything be done therein which may be or become an annoyance or nuisance. Nothing shall be done on the Property which will result in the increase of fire or casualty insurance premiums thereon or the cancellation of such insurance. No waste shall be committed on the Common Elements.
7. Animals. No animals, other than a reasonable number of generally recognized house pets, shall be maintained in any Unit, and then, only if kept solely as household pets and not kept, bred, or raised for commercial purposes. Upon the request of any Unit Owner, the Board of Directors shall determine, in its sole discretion, whether for the purposes of this section a particular animal kept in a Unit shall be considered to be a house pet, or whether the number of pets in any Unit is unreasonable. Such pets shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. Any Owner who causes any animal to be brought or kept within the Project shall indemnify and hold harmless the Association for any loss, damage or liability

which the Association may sustain as a result of the presence of such animal on the premises, whether or not the Association has given its permission therefor.

ARTICLE VI

INSURANCE

1. Public Liability Insurance. Comprehensive general liability insurance shall be purchased by the Association and shall be maintained in full force and effect at all times. Such insurance shall be obtained from reputable insurance companies authorized to do business in the State of Oklahoma. The amount of coverage shall be determined by the Board from time to time so as to provide such coverage as the Board may deem prudent. The premiums shall be paid from the assessments levied and collected pursuant to this Declaration. Such policy shall name all Unit Owners as additional insureds, and also name, as additional insureds, such persons or entities, including the Association, the Board, and any agents or employees of the Board, as the Board may deem necessary or required in order to insure the Association, the Board, the Unit Owners and their respective agents, guests and invitees, against liability to the public; the Unit Owners, their guests, tenants, family members and invitees, or any other persons whomsoever, in connection with any damage or injury occurring on the Property or resulting or arising as a result of the ownership or use of the Property or any part thereof. Provided, however, such insurance shall not insure against loss caused by injuries to Unit Owners or members of their households occurring in their own Unit. Such policy shall otherwise be in such form and content and contain such endorsements as the Board may deem appropriate.

2. Fire and Extended Coverage Insurance. A blanket fire insurance policy shall be purchased by the Association and shall be maintained in force at all times, the premium thereon to be paid from the assessments levied against each of the Unit Owners in accordance with this Declaration. Such insurance shall be carried with reputable insurance companies qualified to do business in the State of Oklahoma and shall insure against loss from fire and such other hazards as the Board may deem appropriate, and shall insure all structures and Improvements which are a part of the Common Elements upon the Property and all personal property owned by the Association or jointly by all the Unit Owners as tenants in common for not less than the full insurable replacement cost value thereof (as determined annually by the Board in conjunction with the insurance company, or the company's agent, issuing such policy). Such policy shall contain vandalism and malicious mischief coverage, together with such other coverage, endorsements, and adjustment clauses as the Board deems appropriate. Such policy shall name the Board as insured, as trustee for the benefit of all the Unit Owners. Such policy shall name the respective mortgagees of the Unit Owners, as their respective interests may appear, and shall provide for the issuance of certificates or such endorsements evidencing the insurance as may be required by any insured or an insured's mortgagee. The Board may select such deductible, provisions which, in its opinion, are consistent with good business practices in connection with the purchase of such policy. The policy or policies shall provide that same cannot be cancelled or substantially modified until after ten (10) days prior written notice is first given to the Association and each first mortgagee. The deductible amount on any policy shall be paid from the assessments levied against all of the Unit Owners in accordance with the provisions of this Declaration.

3. Use of Proceeds. All insurance proceeds available under Section 2 of this Article shall be paid to the Association and held for the benefit of the Unit Owners, mortgagees, and such other persons, as their respective interests shall appear, and shall be paid out in accordance with Article VII of this Declaration.

4. Additional Insurance. The Association, may, at its option, purchase and maintain in force such other insurance or fidelity bonds, in such amounts as the Association may determine. The premium therefor shall be paid from the assessments levied against all Unit Owners in accordance with this Declaration.

5. Owner Insurance. Any Owner may, at his option, and at his sole cost and expense, purchase such personal liability, personal property and interior space insurance which will integrate with the Association policy as he may desire. The existence of such policy or policies shall not alter the obligations of the Association to obtain insurance as herein provided. Under no circumstances shall the Association be required to purchase any insurance covering personal property or the interior space owned individually by any Unit Owner.

6. Authority of Board. Each of the Owners, and every other person named as an insured in connection with any of the policies, as purchased by the Association, hereby irrevocably delegates to the Board any authority which it may otherwise have to negotiate loss settlements with the appropriate insurance carriers. The Board shall have the sole and exclusive authority and right to negotiate any such loss settlements; provided, however, that any execution of a loss claim form and release form in connection with the settlement of a loss claim shall be binding on all Unit Owners and upon any other person named as an insured on any such policy or policies only upon the execution thereof by a majority of the members of the Board.

ARTICLE VII

DESTRUCTION OF IMPROVEMENTS

1. Repair and Restoration. Except as hereinafter provided, damage to or destruction of any or all of the Common Elements shall be promptly repaired and restored by the Association, using the proceeds of insurance, if any, on the Common Elements damaged or destroyed for that purpose, and all Unit Owners shall be liable for assessments for any deficiency; provided, however, that upon the occurrence of the substantially total destruction of all the Buildings, or if 75% of the Unit Owners duly resolve not to proceed with the repair or restoration, then in that event, the Property, or so much thereof as shall remain, shall be subject to partition at the suit of any Unit Owner, in which event the net proceeds of sale, together with the net proceeds of insurance policies, if any, shall be considered as one fund and shall be divided among all Unit Owners on the basis of the percentage ownership of the Common Elements, as shown on Exhibit "A," after first paying, out of the respective shares of Unit Owners, to the extent sufficient for that purpose, all liens on the Unit of each Unit Owner. The Board, their agents, and employees shall have an easement to enter Units to make repairs to Common Elements, or when repairs reasonably appear to be necessary for public safety or to prevent damage to property other than the Unit.

2. Obligation of the Board. Upon the partial destruction of one or more of the Buildings, the Board shall obtain bids from at least two reputable contractors and shall call a meeting of the Unit Owners to consider whether reconstruction of the damage should be undertaken. Unless 75% of the Unit Owners vote not to proceed with reconstruction, the Board shall award the contract for the reconstruction to the lowest bidder; provided, however, that the Board shall not be required or authorized to award such contract until it has sufficient monies, whether from insurance or the collection of special assessments levied in accordance herewith, with which to pay the cost of reconstruction as reflected by the bid to be accepted by the Board. The Board, upon awarding said contract, shall thereafter be authorized to disburse monies to the contractor in accordance with said contract out of the insurance proceeds held by the Board and the special assessments levied and collected by the Board. It shall be the obligation of the Board to take all steps

necessary to assure the commencement and completion of such reconstruction at the earliest possible date. All such reconstruction shall be in accordance with the plans of construction of the Property attached hereto as Exhibit "C."

3. Restoration of Interior of Units. Restoration and repair of any damage to the interior of any individual Unit shall be made by and at the individual expense of the Owner of that Unit, and, in the event of a determination to rebuild after partial or total destruction, shall be completed as promptly as practical and in a lawful and workman-like manner.

4. Notice of Damage. In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the holder of any first mortgage on a Unit shall be entitled to timely written notice of any such damage or destruction.

ARTICLE VIII

MEMBERSHIP AND VOTING RIGHTS

1. Qualifications. Each Unit Owner shall be a member of the Association and shall be entitled to representation in the Association in proportion to said Unit's interest in the Common Elements as shown in Exhibit "A" attached hereto and made a part hereof. If a given Unit is owned by more than one Owner, all such Owners shall be members of the Association; provided, however, that for the purpose of representation of such Unit with regard to the affairs of the Association and the voting of the members of the Association, such Units shall be represented by and entitled only to the representation shown on the attached Exhibit "A," which vote shall be exercised and cast in accordance with the provisions of the Declaration and By-Laws. Ownership of a Unit shall be the sole qualification for membership in the Association.

2. Transfer of Membership. The Association membership of each Unit Owner shall be an appurtenant right to the Unit giving rise to such membership and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said Unit and then only to the transferee of title to said Unit. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Unit shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner.

3. Required Percentage of Vote. Whenever the Declaration, the By-Laws, or the Articles requires the vote, assent or presence of a stated percentage of Unit Owners with regard to the taking of any action or any other matter whatsoever, the requisite number of votes to constitute such stated percentage shall be the votes of Unit Owners whose aggregate interest in the Common Elements, as determined with reference to Exhibit "A" hereto, totals such percentage.

4. Joint Owner Disputes. The vote for each Unit may be cast only as a Unit, and fractional votes shall not be allowed. In the event that joint Owners are unable to agree among themselves as to how their vote or votes shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners casts a vote representing a certain Unit, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Unit. In the event more than one vote is cast for a particular Unit, none of said votes shall be counted and all of said votes shall be deemed void.

ARTICLE IX

DUTIES AND POWERS OF ASSOCIATION

1. Administration of Property. The Unit Owners and each of them, together with all parties bound by this Declaration, covenant and

agree that the administration of the Property shall be in accordance with the provisions of this Declaration, the Articles, By-Laws, and such rules and regulations as may be adopted by the Board, and the amendments, changes and modifications thereto as may come into effect from time to time. In the event of any inconsistency between the provisions of this Declaration and the provisions of the Articles, the By-Laws, or rules and regulations, the provisions of this Declaration shall prevail.

2. Authority of Association. The Association shall have the following powers and duties:

(a) The Association shall acquire and pay out of the assessments levied and collected in accordance herewith, for all water, gardening service, refuse collections and similar services for the Common Elements and for all individual Units and shall further pay, from the assessments levied hereunder, all electrical charges for the General Common Elements.

(b) Except as provided in Article XI, Section 3, hereof, the Association shall maintain or cause the Common Elements and the landscaping, Improvements, facilities, and structures thereof to be maintained and kept in a good state of repair, and acquire for the Association and pay from assessments for such services, equipment, maintenance, painting, and repair as it may determine are necessary in order to keep and at all times maintain the Common Elements and the landscaping, Improvements, and facilities thereon in a good and sanitary state of condition and repair.

(c) Except as to the taxes, levies or assessments levied separately against an individual Unit, and/or the Owner thereof, the Association shall pay all taxes, real and personal, and assessments, bonds and levies which are or would become a lien on the entire Property or the Common Elements.

(d) The Association may, at its option, employ a manager, independent contractors, and such other employees as it deems necessary and prescribe their duties, and enter into contracts and agreements, all for the purpose of providing for the performance of the business, powers, duties and/or obligations of the Association, or any portion thereof. Such manager, if any, and all employees shall have the right of ingress and egress over and access to, such portions of the Property as may be necessary in order for them to perform their obligations.

(e) The Association, at any time, and from time to time, may establish, in accordance with the By-Laws, such uniform rules and regulations as the Association may deem reasonable in connection with the use, occupancy and maintenance of the Units and the Common Elements by Unit Owners and their family members, servants, tenants, guests and invitees, and the conduct of such persons with respect to vehicles, parking, bicycle use, use of recreational facilities, control of pets, and other activities which, if not so regulated, might detract from the appearance of the Property or be offensive to or cause inconvenience, noise or damage to persons residing in or visiting the Property. The Association shall send a copy of such rules and regulations, together with amendments and additions thereto, to each Unit Owner upon receiving written notice of his status as an Owner.

(f) The Association shall levy assessments against the Unit Owners and enforce payment thereof, all in the manner and subject to limitations, set forth in this Declaration.

(g) The Association shall have the power to perform such other acts, whether expressly authorized by the Declaration or the By-Laws, as may be reasonably necessary to enforce any of the provisions of the Declaration, the By-Laws, or the rules and regulations duly adopted by the Association or to carry out and perform its powers and responsibilities.

(h) The Owners shall have the irrevocable right, to be exercised by the Managing Agent or Board of Directors of the Association, to have access to each Unit from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Elements thereon or accessible therefrom, or for making emergency repairs therein necessary to prevent damage to the Common Elements or to another Unit or Units. Damage to the interior or any part of a Unit or Units resulting from the maintenance, repair, emergency repair or replacement of any of the Common Elements or as a result of emergency repairs within another Unit at the instance of the Association, shall be a common expense of all of the Owners; provided, however, that if such damage is the result of the misuse or negligence of a Unit Owner, then such Unit Owner shall be responsible and liable for all such damage. All damaged Improvements shall be restored to substantially the same condition of such Improvements prior to damage. All maintenance, repairs and replacements as to the Common Elements, whether located inside or outside of Units (unless necessitated by the negligence or misuse of a Unit Owner, in which case such expense shall be charged to such Unit Owner), shall be the common expense of all the Owners.

3. Records. The Board of Directors or the Managing Agent shall keep or cause to be kept records with detailed accounts of the receipts and expenditures affecting the Property and its administration and specifying the maintenance and repair expenses of the Common Elements and any other expenses incurred by or on behalf of the Association. The records so kept shall be available for inspection by all Owners and the holder of any first mortgage on a Unit at convenient hours on working days as specified in the By-Laws. All records shall be kept in accordance with accepted accounting procedures.

4. 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, upon approval of a three-fourths majority of the votes entitled to be cast by the members of the Association, at the annual meeting of the Association or at any special meeting called for this purpose.

ARTICLE X

ASSESSMENTS

1. Creation of Lien and Personal Obligation of Assessments. Each Unit Owner, by acceptance of a deed to a Unit, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) regular monthly assessments or charges, (2) special assessments for capital improvements, and (3) emergency assessments, such assessments to be fixed, established and collected from time to time as hereinafter provided. The regular monthly, special and emergency assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge and a lien on the Unit against which each such assessment is made, and all appurtenances thereto, which lien is created and shall be enforced in accordance with the provisions of this Article. Each such assessment (and all other assessments levied in accordance with this Declaration), together with late charges, interest, costs, penalties, and reasonable attorney's fees, as provided for by this Declaration, shall also be the joint and several personal obligation of each Person who was an Owner of such Unit at the time when such assessment fell due. No Owner may exempt himself from liability for his contribution toward the common expenses by waiver of the use of enjoyment of any of the Common Elements or by abandonment of his Unit.

2. Regular Monthly Assessments.

(a) Regular Monthly Assessment. For the purpose of fixing and determining the monthly assessments or charges, the Board of Directors of the Association shall determine in advance for each calendar

year the estimated aggregate amount of such assessments and charges as may be necessary for such year. The Board of Directors may, from time to time during each year, make reasonable adjustments in said estimated aggregate amount. Said estimated aggregate amount for each year shall be prorated among the Owners of Units on the basis of their ownership of Common Elements, shall include an adequate reserve fund for maintenance, repair and replacement of the Common Elements, and shall be payable in regular monthly installments.

(b) Increase in Monthly Assessments. For each calendar year following the initial calendar year of the Association, the regular monthly assessment may be increased prior to, but effective as of, the beginning of such calendar year, by the Board without a vote of the members of the Association, provided that any such increase shall not be more than 10 percent of the regular monthly assessment in effect during the previous year.

(c) Increase in Monthly Assessment by Association. From and after the end of the initial calendar year of the Association, the regular monthly assessment may be increased by the Board in an amount greater than provided for in subsection (b) of this section for the succeeding calendar year, such increase to be made prior to but effective as of the beginning of such calendar year, provided that any such change shall first be approved by at least 80 percent of the members present in person or by proxy, and entitled to vote at a meeting held prior to the commencement of the calendar year for which such increase is to be made and duly called for such purpose, at which a quorum is present, written notice of which will be sent to all members not less than 10 days or more than 30 days in advance of the meeting, setting forth the purpose of the meeting. Notice of increase pursuant to this section shall be given by the Board to each Owner prior to the commencement of the calendar year for which such increase is to be effective.

(d) Certificate of Payment. The Association shall, upon demand, furnish to any Unit Owner, mortgagee of a Unit Owner, or prospective purchaser of any Unit, a certificate in writing signed by an officer of the Association, setting forth whether the assessments on the specified Unit have been paid, and the amount of the delinquency, if any. A reasonable charge may be made by the Board for the issuance of such certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

3. Special Assessments For Capital Improvements. In addition to the regular monthly assessments authorized above, the Board may levy during any calendar year special assessments applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction or unexpected repair or replacement of a capital improvement to the Common Elements and personal property related thereto; provided that each such special assessment in excess of \$1,000.00 must first be approved by a vote of 75% of the Unit Owners present either in person or by proxy and entitled to vote at a meeting called for such purpose at which a quorum of the Association is present, written notice of which meeting shall be sent to all members not less than 10 days nor more than 30 days in advance of the meeting. Special assessments for capital improvements levied in accordance with this section shall be due and payable within 30 days of written notice thereof by the Board.

4. Special Emergency Assessments. In the event that the Board shall determine that its budget for any current month is or will become inadequate to meet all expenses for any reason, including non-payment of any Owner's assessment on a current basis, it shall immediately determine the appropriate amount of such inadequacy for such month and may levy an emergency assessment for the amount required to meet all such expenses on a current basis against the Owners of each Unit; provided, however, that any such emergency assessment in an amount exceeding \$1,000.00 must first be approved by 75% of the Unit Owners, present either in person or by proxy and entitled to vote at a meeting

called for such purpose at which a quorum is present, written notice of which meeting shall be sent to all members not less than 10 days nor more than 30 days in advance of the meeting. Emergency assessments levied in accordance with this section shall be due and payable within 30 days of written notice thereof by the Board.

5. Maintenance Fund. All assessment charges collected shall be properly deposited in a commercial bank account in a bank to be selected by the Board. The Board shall have control of said account and shall be responsible to the Unit Owners for the maintenance of accurate records thereof at all times.

6. Non-Payment of Assessments; Lien Rights, Remedies. Every Unit Owner is deemed to covenant and agree to pay the assessments provided for in this Declaration and further agrees to the enforcement of such assessments in the manner provided for in this Declaration.

(a) Delinquency. Any assessment provided for in this Declaration which is not paid when due shall become delinquent on the date on which such assessment is due (the "date of delinquency"). A late charge in an amount to be determined by the Board for each delinquent assessment shall be payable with respect to such assessment not paid within 10 days after the date of delinquency. Assessments not paid within 10 days after the date of delinquency and late charges shall thereafter bear interest at the rate of 10% per annum from the date of delinquency and the Board, its attorney or other authorized representative may, at its option, at any time after such period, and in addition to other remedies herein or by law or in equity provided, enforce the obligation to pay assessments in any manner provided by law or in equity and, without limiting the generality of the foregoing, by any or all of the procedures herein provided.

(b) Enforcement by Suit. The Board may cause a suit to be commenced and maintained in the name of the Association against any Owner or Owners, or any of them, personally obligated to pay assessments for such delinquent assessments for which they are personally obligated. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon at the rate of 10% per annum from and after the date of delinquency, late charges as provided for by this Declaration, court costs and reasonable attorneys fees in such amounts as the court may award. Suit to recover a money judgment for unpaid assessments shall be maintainable by the Board, or its authorized agent, without foreclosing or waiving the lien hereinafter provided for.

(c) Creation of Lien. Any assessment which remains unpaid on the date on which such assessment is due shall be a lien on the Unit for which such assessment is made and on all appurtenances thereto. Such lien on a Unit shall be prior to all other liens except the following: (1) assessments, liens and charges for taxes past due and unpaid on the Unit, (2) judgments entered in a court of record prior to the date of common expense assessment, (3) mortgage instruments or encumbrances duly recorded prior to the date of such assessment becomes due, (4) mechanic's and materialmen's liens arising from labor performed or material furnished upon the Unit prior to the date of such assessment, and (5) mechanic's and materialmen's liens for labor performed or material furnished upon the Common Elements to the extent of the proportionate part chargeable to the Unit Owner which constitute a part of an assessable charge for common expenses, satisfaction of which shall discharge the assessment of the extent of the payment made. To evidence such lien, the Board of Directors or the Managing Agent shall prepare a written notice of lien assessment setting forth the amount of such unpaid indebtedness, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by one of the Board of Directors or by one of the officers of the Association or by the Managing Agent and shall be recorded in the office of the County Clerk of Cleveland County, Oklahoma. Such lien for the common expenses shall attach from the due date thereof and impart notice to third parties from the date of the recording thereof.

(d) Enforcement of Lien. Such lien may be foreclosed by a suit instituted by the Association, its attorney or duly authorized agent. In any such foreclosure action the Unit Owner shall be required to pay reasonable rental for the use of his Unit during the pendency thereof. The Association, or its duly authorized agent, shall have the power to bid in at the foreclosure sale and to acquire, hold, lease, mortgage and convey the Unit Ownership Estate acquired at such sale. Provided, however, in any such foreclosure sale the Association may not bid an amount in excess of any judgment rendered in its favor in such foreclosure action and satisfiable out of the proceeds of such sale.

(e) Additional Costs Secured by Lien. In the event the lien described above is foreclosed, reasonable attorneys' fees as the court may award and court costs, abstracting fees, interest at the rate of 10% per annum from the date of delinquency, late charges as provided for by this Declaration, and all other costs and expenses shall be allowed to the Association.

(f) Rights of Association. Each Owner hereby vests in and delegates to the Association or its duly authorized representative the right and power to bring all actions at law or in equity, against any Owner or Owners for the collection of delinquent assessments in accordance herewith.

(g) Purchaser at Foreclosure Sale. Any purchaser of a Unit at a foreclosure sale pursuant to an action to foreclose the lien herein provided shall take title to such Unit subject to all the terms, provisions and restrictions of this Declaration, but such purchaser shall not be liable for the share of common expenses or assessments by the Association chargeable to such Unit which became due prior to the purchaser acquiring title. There shall be a lien on the Unit of the purchaser which may be foreclosed in accordance with this Declaration and which shall secure all assessments which become due after the date of such sale. For the purposes of this section a sale of a Unit shall occur on the date any judicial sale is held.

7. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the members of the Association, their guests and invitees, and in particular shall be used for the purpose of improving, protecting, operating, repairing, and maintaining the Common Elements and the facilities, Improvements, landscaping and structures located thereon, and providing for the acquisition and maintenance of property, services and facilities devoted to this purpose and directly related to the use and enjoyment of the Common Elements and the Units and otherwise providing for the performance by the Association of each and every power and duty of the Association.

8. Assessments Collectible Upon Sale. Upon the sale or conveyance of a Unit, all unpaid assessments against the seller Owner for his pro rata share of the common expenses, including interest and costs and reasonable attorney's fees incurred in collection, shall be first paid out of the sales price or by the purchaser in preference of any other assessments or charges of whatever nature, except those specified in paragraph 6(c) of this Article.

ARTICLE XI

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AS TO THE COMMON AREAS

1. Owner's Easement of Enjoyment. Subject to the provisions of Article IX, Section 2 of this Declaration, every Unit Owner and his tenants, servants, family members, guests and invitees, to the extent permitted by such Unit Owner, shall have a non-exclusive easement of access to, use and enjoyment of, and ingress and egress through, the General Common Elements and shall have an exclusive easement of access

to, use and enjoyment of, and ingress and egress through the Limited Common Elements which are appurtenant to his Unit, as shown on Exhibit "A," and such easements shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(a) Such easements shall be subject to the right by this Declaration of the Board to establish uniform rules and regulations concerning the use of the Common Elements.

(b) Such easements shall be subject to the right of Declarant, its agents and representatives, to the non-exclusive use of the Common Elements and the facilities thereof, for display and exhibit purposes in connection with the sale of the Units, which right Declarant hereby reserves. Provided, however, that no such use by Declarant or its agents or representatives shall otherwise restrict the Unit Owners in their use and enjoyment of the Common Elements.

2. Maintenance and Repair. The Association shall be responsible for the maintenance, operation and repair of the General Common Elements, and the Owner of each Unit shall be responsible for the maintenance and repair of all portions of his Unit as defined in Paragraph 3 of this Article XI.

3. Decoration, Maintenance and Repair of Unit Interiors. The Unit Owners may decorate the interiors of their Units in any manner they see fit, provided that no structural changes may be made to the Common Elements without the prior written consent of the Board. For purposes of maintenance, repair, replacement, alteration and remodeling, an Owner shall be deemed to own the interior non-supporting walls, the materials (such as, but not limited to, plaster, gypsum dry wall, paneling, wallpaper, paint, wall and floor tile and flooring, but not including the sub-flooring) making up the finished surfaces of the perimeter walls, ceilings and floors within the Unit, including the Unit doors and windows and airconditioning and heating equipment. The Owner shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are herein and hereafter referred to as "utilities") running through his Unit which serve one or more other Units except in common with the other Owners. Such utilities shall not be disturbed or relocated by an Owner without the written consent and approval of the Board of Directors. Such right to expand, repair, alter and remodel is coupled with the obligation to replace any finishing or other materials removed with similar or other types or kinds of materials of equal quality. An Owner shall maintain and keep in repair the interior of his own Unit, including the appliances and lighting fixtures thereof. All lighting fixtures, equipment and electrical wiring installed within the Unit commencing at a point where the utilities enter the Unit shall be maintained and kept in repair by the Owner thereof. Maintenance and repair of water pipes, but not plumbing fixtures shall be by the Association. The Owner shall do no act nor any work that will impair the structural soundness or integrity of the Building or impair any easement or hereditament, nor shall he make any changes to the individual patio fence appurtenant to his Unit, without written approval of the Association. An Owner shall also keep the appurtenances to his Unit in a clean and sanitary condition and be responsible for maintenance or repairs to any limited common area of which he has beneficial use, in accordance with the terms of this paragraph. However, the Board of Directors shall have the right to do any necessary maintenance work or repairs to Common Elements if the Owner fails to do so and assess the Owner or Owners for the cost thereof.

4. Damage to Common Elements. Any damage to any Common Element which is caused by the negligent act or the willful misconduct of any Unit Owner may be repaired by the Association but, in such event, the Association shall be entitled to reimbursement for all reasonable costs of such repair and/or replacement from the Unit Owner responsible for such damage.

5. Additional Provisions. Each Unit Owner's undivided interest in the Common Elements shall have a permanent character and the

amount of each Unit Owner's interest shall not be altered without the consent of all Unit Owners and all holders of first mortgages on any Unit expressed in a duly recorded amendment to this Declaration. Such interest shall not be separated from the Unit to which it is appurtenant and shall be deemed to be conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the deed or other instrument of conveyance. The Common Elements shall remain undivided and neither the Common Elements nor any Unit may be partitioned or subdivided. The Common Elements may not be encumbered, sold, or transferred by the Association.

6. Easements for Encroachments. Each Unit shall have appurtenant thereto and to be subject to non-exclusive easements in the Common Elements for the purpose of ingress to or egress from, utility service for, and support, maintenance, and repair of each Unit, and in the other Common Elements for use according to their respective purposes. If any portion of the Common Elements encroaches upon a Unit or Units, a valid easement for the encroachment and for the maintenance of same, so long as it stands, shall and does exist, regardless of whether such easement is shown on the plans. If any portion of a Unit encroaches upon the Common Elements, or upon adjoining Unit or Units, a valid easement for the encroachment and for the maintenance of same, so 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 Elements or on the Units.

ARTICLE XII

GENERAL PROVISIONS

1. Enforcement. The Association, or any Unit Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Board or any Unit Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. A waiver of any such right shall be only pursuant to an instrument in writing signed by the party to be charged with such waiver and shall be limited to the particular covenant, condition or restriction which is expressly set forth in such writing as being waived.

2. Use by Declarant. Notwithstanding any provision herein contained to the contrary, it shall be expressly permissible for Declarant to maintain, during the period of sale of Units, such facilities as, in the sole opinion of the Declarant, may be reasonably required, convenient or incidental to the sale of said Units, including, but not limited to, a business office, storage areas, signs, model units and sales offices.

3. Severability. The provisions hereof shall be deemed independent and severable and the invalidity or partial invalidity or enforceability or any one or more of the provisions hereof shall not affect the validity of the remaining provisions.

4. Successors and Assigns. This Declaration shall inure to the benefit of and be binding upon the successors and assigns of Declarant, and to the heirs, personal representatives, grantees, lessees, successors and assigns of the Unit Owners.

5. Remedies Cumulative. Each remedy provided by this Declaration for breach of any of the covenants, conditions, restrictions, reservations, liens, or charges contained herein shall be in addition to any other available remedy, whether provided for by law or in equity, and all of such remedies, whether provided for by this Declaration or otherwise, shall be cumulative and not exclusive.

6. Notices. Any written notice or other document relating to or required by this Declaration may be delivered personally or by

mail. If by mail, such notice, unless expressly provided herein or in the By-Laws to the contrary, shall be deemed to have been delivered and received 3 business days after a copy thereof is deposited in the United States mail, postage prepaid, addressed as follows:

(a) If to a Unit Owner other than Declarant, to the address of the Unit or Units owned by him.

(b) If to Declarant, whether in its capacity as Owner of a Unit, or in any other capacity, addressed as follows:

c/o Gene McKown
808 North Porter
Norman, Oklahoma 73071

(c) Prior to the organizational meeting of the Board, notices to the Board shall be addressed to the address set forth for giving notice to the Declarant. Thereafter, notices to the Board shall be addressed to the Secretary of the Association. The Board shall cause the address of the Secretary of the Association to be made known by mail to all Unit Owners.

7. Sales of Units. Concurrently with the consummation of the sale of any Unit under circumstances whereby the transferee becomes a Unit Owner, the transferee shall notify the Board in writing of such sale. Such notification shall set forth (i) the name of the transferee and his transferor, (ii) the street address or the Unit number of the Unit purchased by the transferee, (iii) the transferee's mailing address and, (iv) the date of sale. Prior to receipt of such notification, any and all communications required or permitted to be given by Declarant, the Association, the Board, or their agents or representatives, shall be deemed to be duly made and given to the transferee if duly and timely made and given to said transferee's transferor.

8. General. 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. 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 nor the intent of any provision hereof. 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.

Dated this 8th day of May, 1981.

The Security National Bank & Trust
Company of Norman, Oklahoma, as
TRUSTEE

By JW Boman
VICE President

ATTEST:

[Signature]
ASST Secretary

STATE OF OKLAHOMA)
) SS:
COUNTY OF CLEVELAND)

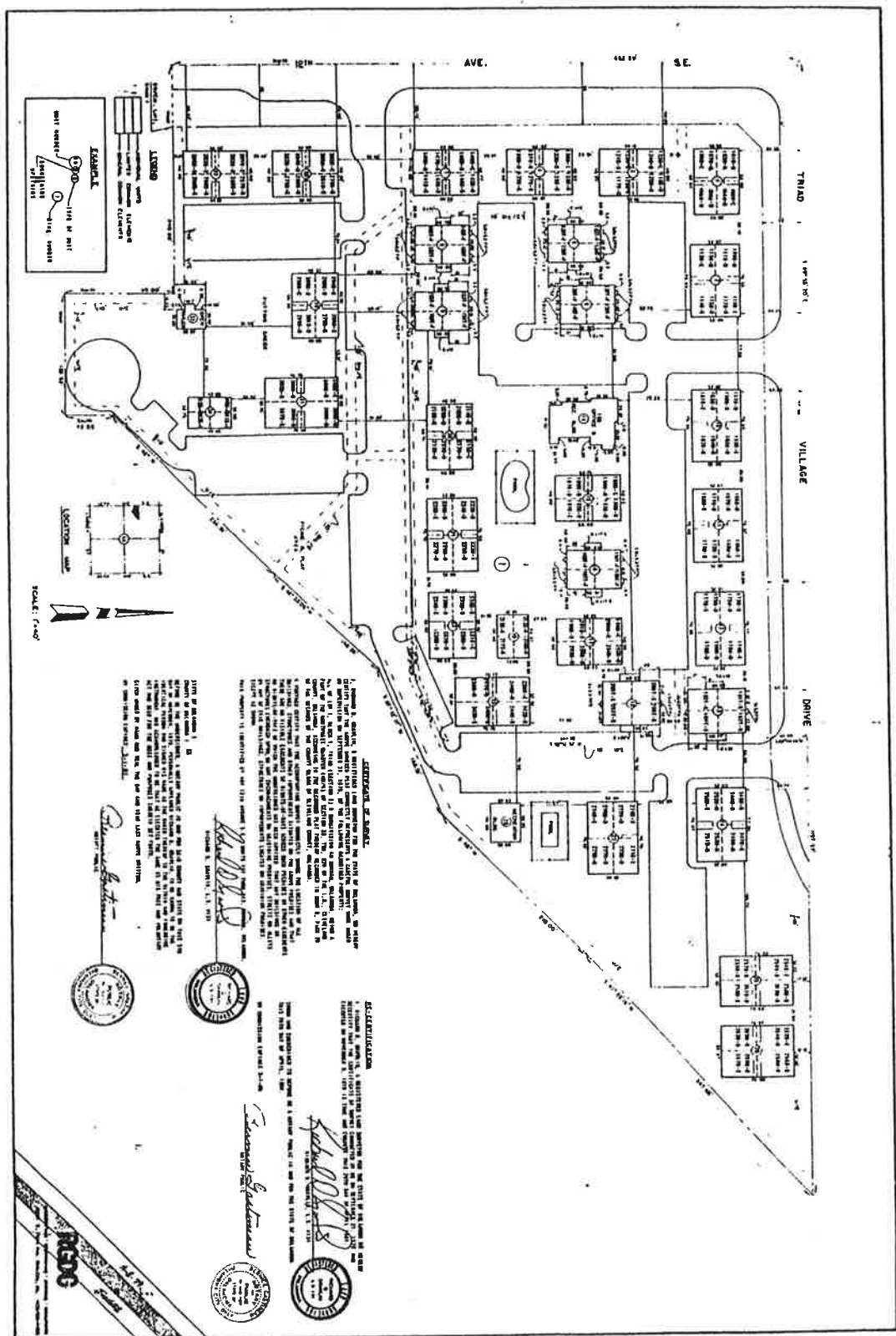
Before me, the undersigned, a Notary Public in and for said County and State, on this 8th day of May, 1981, personally appeared S.W. Bonner, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its vice President, and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation for the uses and purposes therein set forth.

Witness my hand and official seal the day and year last above written.

My Commission Expires:
November 10, 1984

Barbara Horn

Notary Public



DESCRIPTION OF WORK

The undersigned, a duly Licensed Professional Engineer, State of California, do hereby certify that the above described work was done by me or under my direct supervision and that I am a duly Licensed Professional Engineer, State of California, and that I am the author of the above described work. I am a duly Licensed Professional Engineer, State of California, and that I am the author of the above described work. I am a duly Licensed Professional Engineer, State of California, and that I am the author of the above described work.

[Signature]
 THOMAS E. SMITH, P.E.
 REGISTERED PROFESSIONAL ENGINEER
 STATE OF CALIFORNIA



DECLARATION

I, the undersigned, a duly Licensed Professional Engineer, State of California, do hereby certify that the above described work was done by me or under my direct supervision and that I am a duly Licensed Professional Engineer, State of California, and that I am the author of the above described work. I am a duly Licensed Professional Engineer, State of California, and that I am the author of the above described work.

[Signature]
 REGISTERED PROFESSIONAL ENGINEER
 STATE OF CALIFORNIA



Units numbered 210, 211, 212, 213, 310, 311, 312 and 313 are "A" units, and consist of a living space containing approximately 352 square feet located on one level which includes one living area/bedroom and one bathroom; and an undivided .00232193 interest in the common elements.

Units numbered 101, 103, 104, 106, 107, 108, 118, 119, 120, 121, 123, 124, 126, 127, 128, 129, 131, 132, 142, 143, 144, 145, 147, 148, 187, 188, 189, 190, 192, 193, 199, 200, 201, 202, 204, 205, 214, 216, 217, 219, 220, 221, 230, 232, 233, 235, 236, 237, 279, 280, 281, 282, 284, 285, 287, 288, 289, 290, 292, 293, 294, 296, 297, 299, 300 and 301 are "B" units and consist of a living space containing approximately 760 square feet located on one level which includes one bedroom and one bathroom; and an undivided .00391827 interest in the common elements.

Units numbered 102, 105, 117, 122, 125, 130, 141, 146, 186, 191, 198, 203, 215, 218, 231, 234, 278, 283, 286, 291, 295 and 298 are "C" units and consist of a living space containing approximately 794 square feet located on one level which includes one bedroom, one bathroom, and an adjacent storage area; and an undivided .00391827 interest in the common elements.

Units numbered 109, 111, 112, 114, 115, 116, 157, 159, 160, 162, 163, 164, 165, 167, 168, 170, 171, 172, 173, 175, 176, 178, 179, 180, 222, 224, 225, 227, 228, 229, 239, 240, 241, 242, 244, 245, 246, 248, 249, 251, 252, 253, 255, 256, 257, 258, 260, 261, 263, 264, 265, 266, 268, 269, 270, 272, 273, 275, 276, 277, 303, 304, 305, 306, 308 and 309 are "D" units and consist of a living space containing approximately 928 square feet located on one level which includes two bedrooms and one and one-half bathrooms; and an undivided .00507924 interest in the common elements.

Units numbered 110, 113, 158, 161, 166, 169, 174, 177, 223, 226, 238, 243, 247, 250, 254, 259, 262, 267, 271, 274, 302 and 307 are "E" units and consist of a living space

containing approximately 969 square feet located on one level which includes two bedrooms, one and one-half bathrooms, and an adjacent storage area; and an undivided .00507924 interest in common elements.

Units numbered 133, 134, 135, 136, 137, 138, 139, 140, 149, 150, 151, 152, 153, 154, 155, 156, 194, 195, 196 and 197 are "F" units and consist of a living space containing approximately 1120 square feet located on two levels which includes two bedrooms, one and one-half bathrooms, and an exclusive right to use a limited common element patio; and an undivided .00654495 interest in the common elements.

Units numbered 181, 182, 183, 184, 206, 207, 208 and 209 are "G" units and consist of a living space containing approximately 1400 square feet located on two levels which includes three bedrooms, two and one-half bathrooms, and an exclusive right to use a limited common element patio; and an undivided .007343085 interest in the common elements.

BY-LAWS
OF
COTTONWOOD RIDGE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I

PURPOSE AND PARTIES

1. The purpose for which this non-profit corporation is formed is to serve as the Council of Owners of the Unit Ownership Estate project known as Cottonwood Ridge Unit Ownership Estates, hereinafter referred to as the "Property," situated in the County of Cleveland, State of Oklahoma, which Property is described in the Declaration of Covenants and Restrictions of Cottonwood Ridge Unit Ownership Estates recorded in the Cleveland County Records, and which Property has been submitted to the Association created by the Unit Ownership Act of the State of Oklahoma by the recording of the Declaration and the Exhibits thereto, including a true and correct copy hereof. All definitions contained in said Declaration shall apply hereto and are incorporated herein by reference.

2. All present or future Owners, tenants, future tenants of any Unit, or any other Person who might use in any manner the facilities of the Property are subject to the provisions and these By-Laws. The mere acquisition, lease or rental of any Unit or the mere act of occupancy of a Unit will signify that these By-Laws are accepted, approved, ratified, and will be complied with.

ARTICLE II

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

1. Membership. Ownership of a Unit is required in order to qualify for membership in this Association. Any Person on becoming an Owner of a Unit shall automatically become a member of this Association and be subject to these By-Laws. Such membership shall terminate without any formal Association action whenever such Person ceases to own a Unit, but such termination shall not relieve or release any such former Owner from any liability or obligation incurred under or in any way connected with this Association during the period of such ownership and membership in this Association, 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. Voting shall be on a per Unit basis, and the number of votes to which any Person is entitled shall be based on one (1) vote per each Unit owned.

3. Majority of Owners. As used in these By-Laws, the term "Majority of Owners" means the Owners of more than fifty percent (50%) of the aggregate interest in the General Common Elements as established by the Declaration. Any specified percentage of Unit Owners means such percentage in the aggregate of such undivided ownership.

4. Quorum. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of a Majority of Owners shall constitute a quorum. In the event a quorum is not present, then the meeting called shall be adjourned, and notice of a new meeting for the same purposes within two (2) to four (4) weeks shall be sent by mail, at which meeting a Majority of Owners shall constitute a quorum. An affirmative vote of a Majority of Owners, present in person or by proxy, shall be required to transact the business of the meeting.

5. 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. Cottonwood Ridge Home-owners Association, Inc., a corporation, hereinafter referred to as "Association," will have the responsibility of administering the Property through a Board of Directors.

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. The annual meetings of the Association shall be held in December of each year. At such meetings a Board of Directors shall be elected by ballot of the Owners. 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 Owners as directed by resolution of the Board of Directors or upon a petition signed by a majority of the Owners and having been presented to the Secretary or Assistant Secretary of the Association. No business except as stated in the notice shall be transacted at a special meeting unless by consent of two-thirds (2/3) of the Owners present, either in person or by proxy. Any such meetings shall be held within thirty (30) days after receipt by the President of such resolution or petition.

5. Notice of Meetings. It shall be the duty of the Secretary or Assistant Secretary of the Association to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place it is to be held, to each Owner of record and, upon request, to each first mortgagee (who shall be entitled to designate a representative to attend all such meetings), at least ten (10) days, but not more than thirty (30) days prior to such meeting. The mailing of the notice in the manner provided in this paragraph shall be considered notice served.

ARTICLE IV

BOARD OF DIRECTORS

1. Number and Qualification. The affairs of the Association shall be governed by a Board of Directors consisting initially of five persons and after their initial term consisting of not less than five nor more than twenty-one persons (as determined by the preceding Board) who shall be elected by the Owners. The Directors, who must be members of the Association, shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified.

2. 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 Property. The Board of Directors may do all such acts and things except as prohibited by law or by these By-Laws 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 Property:

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- (a) 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 Unit Ownership Estate Act of the State of Oklahoma, the By-Laws of the Association and supplements and amendments thereto.
- (b) To establish, make and enforce compliance with such reasonable rules as may be necessary for the operation, use and occupancy of the Property 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 (5) days following the adoption thereof.
- (c) To keep in good order, condition and repair all of the General Common Elements and all items of common personal property used by the Owners in the enjoyment of the entire premises.
- (d) To insure and keep insured all of the insurable Common Elements of the Property in an amount equal to their maximum replacement value as is provided in the Declaration. To insure and keep insured all of the common fixtures, equipment and personal property for the benefit of the Owners of the Units and their mortgagees. Further, to obtain and maintain comprehensive general liability insurance covering the entire premises in amounts not less than \$300,000.00 combined single limit.
- (e) To prepare a budget for the Property, at least annually, determine the amount of common charges payable by the Owners to meet the common expenses of the Property, and allocate and assess such common charges among the Owners according to their respective common ownership interests in and to the Common Elements, and by a majority vote of the Board to adjust, decrease or increase the amount of the monthly 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) 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, and to collect interest at the rate of ten percent (10%) per annum from due date 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) To protect and defend the entire Property from loss and damage by suit or otherwise.
- (h) 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 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 General Common Elements.
- (i) To enter into contracts within the scope of their duties and powers.
- (j) 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) To make repairs, additions, alterations and Improvements to the Common Elements consistent with managing the Property in a first class manner and consistent with the best interests of the Unit Owners.

(l) 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.

(m) To prepare and deliver annually to each Owner a statement showing receipts, expenses, and disbursements since the last such statement.

(n) To meet at least once each quarter; 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) To designate, employ and dismiss the personnel necessary for the maintenance and operation of the General and Limited Common Elements or other administration of the Property.

(p) 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 Property.

(q) 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 By-Laws.

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

(s) To do all things necessary and proper for the sound and efficient management of the Property.

(t) To determine each year the advisability of election of tax exempt status under Section 528 of the Internal Revenue Code of 1954 or as that section may hereafter be remembered.

4. No Waiver of Rights. The omission or failure of the Association or any Owner to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations or other provisions of the Declaration, the By-Laws 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. Each Director shall be elected to serve a term of one (1) year. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided.

6. Vacancies. 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 two-thirds (2/3) of 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 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.

8. Organization Meeting. The first meeting of a newly elected Board of Directors following the annual meeting of the Unit Owners shall be held within ten (10) days thereafter at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, 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. 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. 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. 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 him 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. Fidelity Bonds. The Board of Directors must require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

14. 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.

ARTICLE V

FISCAL MANAGEMENT

The provision for fiscal management of the Units for and on behalf of all of the Unit Owners 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. Accounts. The funds and expenditures of the Unit Owners 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 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 fund), 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, a Secretary, an Assistant Secretary and a Treasurer, all of whom shall be elected by the Board of Directors, and such assistant officers as the Board of Directors shall, from time to time, elect. Such officers need not be members of the Board of Directors, but each shall be an Owner of a Unit, or the Declarant or its representative(s). The office of President and Treasurer may be held by the same Person, and the office of Vice President and Secretary or Assistant Secretary may be held by the same Person.

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 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 Owners as provided elsewhere in these By-Laws.

4. President. 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 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 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.

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 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.

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; 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 are provided in the Declaration and the By-Laws.

(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 Unit owned by such member, the undivided interest in the General Common Elements and a description of the Limited Common Elements assigned for exclusive use in connection with such Unit. 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. Assistant Secretary. The Assistant Secretary shall have all the powers and authority and perform all the functions and the duties of the Secretary, in the absence of the Secretary, or his inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties as he is directed to perform by the Secretary.

8. 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. He 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

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 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 as common expenses; provided, however, that nothing in this Article VII shall be deemed to obligate the Association to indemnify any member or Owner of a Unit who is or has been a Director or officer of the Association with respect to any duties or obligations assumed or liability incurred by him under the Declaration and by virtue of being an Owner.

2. Other. Contracts or other commitments made by the Board of Directors, officers or the Managing Agent shall be made as agent for the Owners, and the Board shall have no personal responsibility on any such contract or commitment (except as Owners), and the liability of any Owner on such contract or commitment shall be limited to such propor-

tionate share of the total liability thereof as the common interest of each Owner bears to the aggregate common interest of all of the Owners as set forth on Exhibit "A" of the Declaration.

ARTICLE VIII

AMENDMENTS TO BY-LAWS

1. 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 vote of not less than 75% of the Owners and unless set forth in an Amended Declaration and duly recorded.

ARTICLE IX

MORTGAGEES

1. Notice to Association. An Owner who mortgages his Unit shall notify the Association through the Managing Agent, if any, or the Secretary or Assistant Secretary of the Association, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Units."

2. Notice of Unpaid Common Assessments. The Board of Directors, whenever so requested in writing by a mortgagee of a Unit, shall promptly report any default in the performance of an Owner of any obligation under the Declaration, Articles, By-Laws, or Rules which is not cured within sixty (60) days, including but not limited to nonpayment of common assessments.

3. Notice of Default. The Board of Directors, when giving notice to an Owner of a default in paying common assessments or other default, may send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has theretofore been furnished to the Board of Directors and shall have the right, but not the obligation, to post a copy of such notice in a public place on the common grounds of the Property without assuming any liability for such action.

4. Examination of Books. Each Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Unit at reasonable times, on business days, after notice, and each mortgagee on a Unit in the Property is, upon request, to receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association.

ARTICLE X

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND DESIGNATION OF VOTING REPRESENTATIVE

1. Proof of Ownership. Except for those Owners who initially purchase a Unit from Declarant, any Person, on becoming an Owner of a Unit, 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 Unit, 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 of members unless this requirement is first met.

2. Registration of Mailing Address. The Owner or several Owners of an individual Unit 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 Unit or by such Persons as are authorized by law to represent the interest of the Owner(s) thereof. The requirements herein contained in this Article shall be first met before an Owner of a Unit 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 monthly assessments imposed by the Association to meet the common expenses. The assessments imposed hereunder shall be due and payable monthly in advance. The amount of such assessments may be altered in accordance with 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 By-Laws, if, and only if, he shall have fully paid all assessments made or levied against him and the Unit or Units owned by him, and he 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 Unit in favor of the Association and shall survive any sale thereof, provided, where the holder of a first mortgage of record or other purchaser obtains title to the Unit Ownership Estate as a result of foreclosure of the first mortgage, such acquirer of title shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Unit which became due prior to acquisition of title to such Unit by such acquirer. Such unpaid shares of common expenses or assessments shall be deemed to be common expenses.

3. Notice of Lien or Suit. An Owner shall give notice to the Association of every lien or encumbrance upon his Unit, other than for taxes and special assessments, and notice of every suit or other proceeding which may affect the title to his Unit, and such notice shall be given within five (5) days after the Owner has knowledge thereof.

4. Maintenance and Repair.

(a) Every Owner must perform promptly at his own expense all maintenance and repair work within his own Unit and any Limited Common Elements of which he has beneficial use, which, if omitted, would affect the Property in its entirety or in part belonging to other Owners.

(b) An Owner shall be obligated to reimburse the Association promptly upon receipt of its statement for any expenditures incurred by it in repairing or replacing any General or Limited Common Element damaged by his negligence or by the negligence of his tenants, family members, agents or guests.

5. Mechanic's or Materialman's Lien. Each Owner agrees to indemnify and to hold each of the other Owners harmless from any and all claims of mechanic's or materialman's lien filed against other Units and the appurtenant Common Elements for labor, materials, services or other products incorporated in the Owner's Unit. In the event such a lien is filed and/or a suit for foreclosure of such lien is commenced, then within ten (10) days thereafter such Owner shall be required to dis-

charge the same as provided by the laws of the State of Oklahoma and furnish evidence thereof to the Association in writing within ten (10) days after such discharge becomes final. Should such Owner fail so to do and the Association or its officers be made parties to any such suit, or be required to defend the same, all such costs including the Association's attorney fees shall be added to the assessments due from such Owner's Unit and paid with the next month's assessment falling due after the final determination of the Association's total expenses.

6. General.

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

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

7. Use of Units - Internal Changes.

(a) All Units shall be utilized only for residential purposes.

(b) An Owner shall not make structural modifications or alterations to his Unit or installations located therein or to the Limited Common Elements of which he has beneficial use without the prior written approval of the Association or its designated Architectural Control Committee. The Association shall be notified in writing of the intended modifications through the Managing Agent, or if no Managing Agent is employed, then through the President of the Association. The Association shall have the obligation to answer an Owner's request within twenty (20) days after such notice, and failure to do so within such time shall mean that there is no objection to the proposed modifications or alterations.

8. Use of General Common Elements and Limited Common Elements. Each Owner may use the General Common Elements and the appropriate Limited Common Elements within the Property in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other Owners. Each Unit shall have the right to the use of the Common Element parking area for at least one automobile.

9. Right of Entry.

(a) An Owner shall and does grant the right of entry to the Managing Agent or to any other Person authorized by the Association in case of an emergency originating in or threatening his Unit, whether the Owner is present at the time or not.

(b) An Owner shall permit other Owners, or their representatives, to enter his Unit for the purpose of performing installations, alterations, or repairs to the mechanical, electrical or utility services which, if not performed, would affect the use of other Unit(s); provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate.

10. Rules and Regulations.

(a) The initial Rules and Regulations, which shall be effective until amended or supplemented by the Association, are annexed hereto and made a part hereof as Schedule A.

(b) The Board of Directors, pursuant to Article IV of these By-Laws, reserves the power to establish, make and enforce compliance with such additional Rules as may be necessary for the operation, use and occupancy of this Property with the right to amend same

from time to time. Copies of such Rules and Regulations shall be furnished to each Owner prior to the date when the same shall become effective.

ARTICLE XII

ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS

1. Abatement and Enjoinment. The violation of any Rule or Regulation or the breach of any By-Laws, 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 Unit in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit 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 therefor; and (ii) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

2. Denial of Use of Amenities and Limited Common Elements. Should any Owner be in default in the payment of any dues, assessments, or other sums under the terms of the Declaration or these By-Laws, or be in violation of any of the terms of the Declaration, these By-Laws, or any Rule or Regulation 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 amenities or Limited Common Elements 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 committees. The Board may establish rules for the conduct of these committees and may delegate responsibility to said committees.

2. Executive Committee. The Executive Committee shall consist of two Persons who are members and who shall be appointed by the Board of Directors from the members of the Board. One member shall be the President. The Executive Committee shall supervise the affairs of the Association and shall regulate its internal economy, approve expenditures and commitments, act and carry out the established policies of the Association and report to the Directors at each meeting of the Board. The Executive Committee may hold regular meetings, monthly or as it may in its discretion determine. Special meetings may be called at any time by the chairman of the Committee or by any of its members, either personally or by mail, telephone or telegraph, and a special meeting may be held by telephone.

3. Nominating Committee. Before each annual meeting, the Board of Directors may appoint a committee of three members who shall nominate candidates for the Board. The names of the candidates shall be submitted on or before thirty (30) days before the election. Members may submit names of candidates other than those submitted by the nominating committee at least thirty (30) days prior to the election. Unless such names are submitted, either by the nominating committee or by the members, no person shall be elected whose name is not so submitted unless no nominations are made, in which event the names of candidates shall be submitted at the election by the members.

4. Architectural Control Committee. The Architectural Control Committee shall be composed of three (3) or more natural Persons designated from time to time by the Board of Directors of the Association and such Persons shall serve at the pleasure of the Board of Directors. The affirmative vote of a majority of the members of the Architectural Control 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 these By-Laws.

(a) Improvements and Alterations. Except for construction by the Declarant and for purposes of restoration of Improvements or structures to their original appearance or as otherwise provided in these By-Laws, no Building, fence, wall or other Improvements or structure shall be commenced, erected, placed, moved or maintained upon the Property, nor shall any exterior addition to or change in any Improvement located on the Property be made until the complete plans and specifications showing the precise and exact nature, kind, shape, height, set-back, materials, color and location of the same shall have been submitted in duplicate to and approved in writing as to harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for the Property by the Architectural Control Committee.

(b) Approvals of Improvements and Alterations. Upon approval by the Architectural Control Committee of any plans and specifications submitted pursuant to the provisions of these By-Laws, a copy of such plans and specifications, as approved, shall be deposited among the permanent records of such Committee and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. In the event the Architectural Control Committee fails to approve or disapprove any plans and specifications which may be submitted to it within forty-five (45) days after submission, then approval will not be required and this Article XIII (4) shall be deemed to have been fully complied with.

(c) Limitations. Construction or alterations in accordance with plans and specifications approved by the Architectural Control Committee pursuant to the provisions of this Article XIII(4) shall be commenced within six (6) months following the date upon which the same are approved by the Architectural Control Committee [whether by affirmative action or by forbearance from action, as provided in Section (b) of this Article XIII(4)], and shall be substantially completed within twelve (12) months following the date of commencement, or within such longer period as the Architectural Control Committee shall specify. In the event construction is not commenced within the period aforesaid, then approval of the plans and specifications by the Architectural Control Committee shall be conclusively deemed to have lapsed and compliance with the provisions of this Article XIII(4) shall again be required. There shall be no deviations from plans and specifications approved by the Architectural Control Committee without the prior consent in writing of the Architectural Control Committee. Approval for use on any Unit of any particular plans and specifications or design shall not be construed as a waiver of the right of the Architectural Control Committee to disapprove such plans and specifications, or any elements or features thereof, in the event such plans and specifications are subsequently submitted for use upon any other Unit or Units.

(d) Certificate of Compliance. Upon the completion of the construction or alteration of any Building, fence, wall or other Improvements or structure in accordance with plans and specifications approved by the Architectural Control Committee in accordance with the provisions of this Article XIII, the Architectural Control Committee shall, at the request of the Owner thereof, issue a certificate of compliance which shall be prima facie evidence that the Building, fence, wall, or other Improvements or structure referenced in such certificate has been approved by the Architectural Control Committee and constructed

or installed in full compliance with the provisions of this Article XIII and with such other provisions and requirements of these By-Laws as may be applicable.

(e) Rules and Regulations. The Architectural Control Committee shall from time to time adopt and promulgate such Rules and Regulations regarding the form and content of plans and specifications to be submitted for approval and may publish such statements of policy, standards, or guidelines and establish such criteria relative to architectural styles or details, or other matters, as it may consider necessary and appropriate. No such Rules, Regulations, statements, criteria or the like shall be construed as a waiver of the provisions of this Article XIII or any other provision or requirement of these By-Laws. The Architectural Control Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to the provisions of this Article XIII. The decisions of the Architectural Control Committee shall be final, except that any Owner who is aggrieved by any action or forbearance from action by the Architectural Control Committee may appeal the decision of the Architectural Control Committee to the Board of Directors. A vote of two thirds (2/3) of the then constituted Board of Directors shall be necessary to overrule a decision of the Architectural Control Committee.

(f) Enforcement; Right to Correct Violations. In the event any Building, fence, wall or other Improvements or structure shall be commenced, erected, placed, moved or maintained upon any Unit, otherwise than in accordance with the provisions and requirements of this Article XIII, then the same shall be considered to have been undertaken in violation of this Article XIII and without the approval of the Architectural Control Committee required herein. Upon written notice from the Architectural Control Committee, such Building, fence, wall or other structure or Improvements shall be promptly removed. In the event the same is not removed, or the violation is not otherwise terminated within fifteen (15) days after notice of such violation is delivered to the Owner of the Unit upon which such violation exists, then the Association shall have the right, through its agents and employees, to enter upon such Unit and to take such steps as may be necessary to remove or otherwise terminate such violation and the costs thereof shall be assessed against the Unit upon which such violation occurred. A statement for the amount thereof shall be rendered to the Owner of said Unit at which time the assessment shall become due and payable and a continuing lien upon said Unit and an obligation of the Owner, and may be enforced as provided in Article X of the Declaration. The Association shall have the further right, through its agents, employees or committees, to enter upon and inspect any Unit at any reasonable daylight hour for the purpose of ascertaining whether any violation of the provisions of this Article XIII or any of the other provisions or requirements of the Declaration, exist on such Unit, provided, however, that no such entry and inspection shall be taken without a resolution of the Architectural Control Committee or the Board of Directors, and after reasonable notice to the Owner of such Unit. Neither the Association nor any such agent or employee shall be deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

5. 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 or compensation to, or distributed to, or

inure to the benefit of any member of the Board of Directors, officer or member, provided, however, (1) that reasonable compensation may be paid, to any member, Director or officer, while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (2) that any member, Director or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

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

CONDEMNATION

In the event of any taking of any Unit in the Property by eminent domain, the Owner of such Unit and any mortgagees, as their interest may appear, shall be entitled to receive the award for such taking of all the interest in the Property if such Owner shall vacate his Unit by virtue of such taking. If any repair or rebuilding of the remaining portions of the Property is required as a result of such taking, a majority of the remaining Owners in interest shall determine by vote or written consent whether to rebuild or repair the Property or to take such other action as shall be required, or shall be undertaken, then the remaining portion of the Property shall be resurveyed and the Declaration and Exhibits thereto shall be amended to reflect such taking and to proportionately readjust the percentages of ownership of the remaining Owners based upon a continuing total ownership of the project of one hundred percent (100%).

If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the holder of any first mortgage on a Unit shall be entitled to timely written notice of any such proceeding or proposed acquisition.

ARTICLE XVII

MISCELLANEOUS

1. Conflict in Documents. In the event that any inconsistency or conflict exists between the items of the Declaration, these By-Laws, or any Rule or Regulation, the inconsistency or conflict shall in every instance be controlled by the Declaration.

2. Conflict Between Owners. In the event that any dispute between Owners arises involving any of the Common Elements, amenities or any other matters concerning the Property and the conflict cannot be resolved by the Managing Agent, it shall be resolved by the Board of Directors.

3. Due Process. In order to afford due process to each Owner before any punitive action may be finally imposed by the Board of Directors, each Owner shall have the right to a hearing before the Board of Directors, en banc. The Board shall give not less than ten (10) days written notice to the Owner prior to the imposition of a fine or other punitive action. If the Owner so notifies the Board within such ten

(10) day period, a hearing shall then be available to any Owner to present evidence for the purpose of avoiding or mitigating any penalty or punitive action at which hearing both the Association and the Owner may produce evidence and present witnesses. The Board of Directors shall promptly resolve the dispute and announce its decision, which in such instances shall be final as to all matters.

4. Exculpation of Unavoidable Loss. The Association shall not be liable for any loss to any Owner or inflicted upon any Unit or the property of the Owner situated therein, brought about by flooding, water damage caused by bursted 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 his own insurance to cover the same. Each Owner may obtain additional insurance at his own expense for his own benefit. Insurance coverage on interior surfaces, and on all furnishings, decorations, and other items of personal property belonging to an Owner, and casualty and public liability insurance coverage within each individual Unit are specifically made the responsibility of the Owner thereof.


5. Professional Management. Any agreement for professional management of the condominium Property, or any other contract providing for services by the Declarant, as described in Article IV, Paragraph 3(q), shall be terminable by the Owner's Association upon thirty (30) days written notice thereof for cause, or upon ninety (90) days written notice thereof without cause or payment of a termination fee, and the term of any such agreement may not exceed one year, renewable by agreement of the parties for successive one year periods.

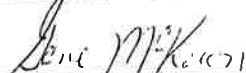
6. Federal Home Loan Mortgage Corporation. The Association shall give the Federal Home Loan Mortgage Corporation notice (c/o Servicer at Servicer's address) in writing of any loss to, or taking of, the Common Elements of the condominium Property if such loss or taking exceeds \$10,000.00, or if damage to a Condominium Unit covered by a mortgage purchased in whole or in part by FHLMC exceeds \$1,000.00.

7. Insurance. In acquiring the insurance coverage specified in the Declaration, the Association shall obtain a policy, if such a policy is available, which will provide coverage on fixtures, alterations, installation or additions within a portion of the property used exclusively by an individual Unit Owner and made or acquired at the Unit Owner's individual expense. The Association shall provide to each Owner, if available, a statement from the insuring company or agent which outlines the extent of this additional coverage.

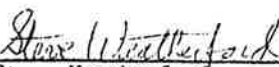
APPROVED this 8 day of May, 1981.

DIRECTORS OF COTTONWOOD RIDGE HOMEOWNERS ASSOCIATION, INC.


Daniel N. Pope, II


Gene McKown


Roger Carter


Steve Weatherford


Charles Bowline

STATE OF OKLAHOMA)
)
COUNTY OF CLEVELAND)

Before me, the undersigned Notary Public, in and for said County and State, on this 8 day of May, 1981, personally appeared Daniel N. Pope, II, Gene McKown, Roger Carter, Steve Weatherford and Charles Bowline, to me known to be the identical persons who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last written above.

Erney Nathaniel

Notary Public

