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DECLARATION OF UNIT OWNERSHIP ESTATES
FOR
CEDARCREST PARK TOWNHOMES

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KNOW ALL MEN BY THESE PRESENTS, that Consolidated Property Ventures, an Oklahoma general partnership, whose general partners are Thomas C. Herrmann, Dan L. Stefanoff and Richard W. Riddle, hereinafter designated as the "Declarant," does hereby make, publish and declare as follows:

That the Declarant is the owner of fee simple title in and to the following described land, together with all improvements thereon and appurtenances thereto belonging, situated in Tulsa County, Oklahoma, to-wit:

Lots One (1) through Twelve (12), inclusive, and the West 288.66 feet of Lot Seventy-nine (79) of CEDARCREST PARK, a re-subdivision of Lots One (1) through Eleven (11) in Block Two (2) of CEDARCREST, an addition to the City of Tulsa, Tulsa County, State of Oklahoma, according to the recorded plat thereof,

all of which, together with the buildings and improvements to be constructed thereon, are herein referred to as the "Property." The Declarant has the right, but not the obligation, to annex additional land and improvements to the Property in accordance with Article XVII hereof. Upon such annexation, such land and improvements added shall be included in the definition of the word "Property" as used in this Declaration. The land described above is also called herein "Phase I Land." The Declarant intends to construct multifamily dwellings on the "Property" and to create Unit Ownership Estates (hereinafter called "Condominiums") under the Oklahoma Unit Ownership Estate Act; and

That the Declarant, by these presents, has caused the Property to be subdivided into twelve (12) separate "Residential Units" and has caused each Unit to be assigned a Unit Designation; and

That the Declarant will sell and convey each Condominium upon its completion to separate owners subject to their respective rights in the Common Elements, and otherwise subject to the protective covenants, conditions, restrictions, reservations, liens, easements, privileges, rights, and charges as hereinafter set forth.

THEREFORE, the Declarant hereby declares that the Property is submitted to the provisions of the Oklahoma Unit Ownership Estate Act as presently existing (O.S.A. Title 60, Chapter 11, Paragraphs 501 through 530, inclusive), hereinafter referred to as the "Act," and shall be held, sold, conveyed, and owned subject to this Declaration for the purpose of preserving the value, use and habitability of the Property. The terms of this Declaration shall be binding on all persons having or acquiring any right, title or interest in a Condominium or in the Property and shall inure to the benefit of each Condominium Owner. The Property and Condominiums created by this Declaration shall be known and legally described as "CEDARCREST PARK TOWNHOMES."

ARTICLE I
DEFINITIONS

1.1 Definitions. Unless it is plainly evident from the context in which a term is used that a different meaning is intended, as used herein:

(a) "Association" means the Cedarcrest Park Townhomes Association, Inc., a non-profit corporation, organized under the laws of the State of Oklahoma for the purpose of administering the Property and the Condominiums;

(b) "Building" means one or more buildings or structures comprising a part of the Property;

(c) "Common Elements" means and includes the General Common Elements and Limited Common Elements and includes all physical improvements of the Property except the interior space of the Units;

(d) "Common Expenses" means and includes the General Common Expenses, the Limited Common Expenses, and expenditures made or liabilities incurred by the Association;

(e) "General Common Expenses" means and includes:

(1) Expenses of administration of the Common Elements and the maintenance, repair or replacement of the General Common Elements;

(2) Expenses agreed upon as common by all the Condominium Owners;

(3) Expenses declared as General Common Expenses by provisions of the Act, or by this Declaration or the Articles of Incorporation or By-Laws of the Association;

(4) General Common Expenses are shared by all Condominiums pro rata according to their respective Ownership Interests;

(f) "Common Profits" means the balance of all income, rents, profits and revenues from the Common Elements and facilities remaining after the deduction of the Common Expenses;

(g) "Condominium" is the same as a Unit Ownership Estate (as defined by the Act), which consists of a Residential Unit located on the Property together with its Ownership Interests in the Common Elements of the Property;

(h) "Condominium Owner" means a person who owns a Condominium;

(i) "Declaration" means this instrument, when duly recorded, by which the Property is submitted to the provisions of the Act. The Declaration may be amended from time to time;

(j) "General Common Elements" means and includes those common elements specifically designated as General Common Elements and, in general, those elements of the Property necessary or convenient to its existence, maintenance and safety, and normally in common use, except those elements which are specifically designated as Limited Common Elements;

(k) "Limited Common Elements" means and includes those Common Elements which are to be reserved by the terms of this Declaration for the use of certain Units to the exclusion of the other Units;

(l) "Limited Common Expense" means an expense allocated to a single Condominium or among specified Condominiums to the exclusion of all other Condominiums;

(m) "Majority of Ownership Interests" means the owners of more than fifty percent (50%) of the Ownership Interests in the Common Elements as established by this Declaration. Further, any specified percentage or proportion of Ownership Interests means such percentage or proportion of the aggregate of such undivided ownership;

(n) "Ownership Interest" means the proportionate undivided interest in the Common Elements which is appurtenant to a Condominium. The Ownership Interest for each Condominium is set out on Exhibit "B." Prior to the annexation of additional land and improvements to the Property in accordance with Article XVII hereof, the Ownership Interests of each respective Condominium shall be as listed in Exhibit "B" under the heading "Phase I;" After annexation of the first addition of land and improvements, the Ownership Interests of each respective Condominium shall be as listed in Exhibit "B" under the heading "Phase II." After annexation of the second addition of land and improvements, the Ownership Interests of each respective Condominium shall be changed to, and shall be, as listed in Exhibit "B" under the heading "Phase III." After annexation of the third addition of land and improvements, the Ownership Interests of each respective Condominium shall be changed to, and shall be, as listed in Exhibit "B" under the heading "Phase IV;"

(o) "Person" means an individual, corporation, partnership, association, trust or other legal entity, or any combination thereof;

(p) "Property" means and includes the land as described in the preamble hereof, the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto. The Declarant has the right, but not the obligation, to annex additional land and improvements to the Property in accordance with Article XVII hereof. Upon the first annexation of additional land and improvements, the definition of the word "Property" shall include the land and improvements of the Phase I Land and the Phase II Land as described in Article XVII hereof. Upon the second annexation of additional land and improvements, the definition of the word "Property" shall include the land and improvements of the Phase I Land, the Phase II Land, the Phase III Land as described in Article XVII hereof. Upon the third annexation of additional land and improvements, the definition of the word "Property" shall include the land and

improvements of the Phase I Land, the Phase II Land, the Phase III Land and the Phase IV Land as described in Article XVII hereof;

(q) "Recordation" or "Record" means to file of record in the office of the County Clerk in Tulsa County, Oklahoma, in the manner provided by law for recordation of instruments affecting real estate;

(r) "Residential Unit" or "Unit" means an enclosed space, designed for residential use, contained within the interior surface planes of the perimeter or boundary walls, boundary ceilings and boundary floors of the Unit as delineated by Exhibit "A" and as said Exhibit may be amended pursuant to Article XVII hereof. Each Unit includes outside windows and boundary doors, all interior surfaces of the boundary walls, boundary ceilings, and boundary floors (i.e. wallpaper, tile, carpet, paint, and finishing materials). The garage area shown on Exhibit "A" is a part of the Unit. Also included as part of a Unit are the appliances, fixtures, and equipment contained within the Unit's space, and the heating and air conditioning compressor and fan coil heat exchanger servicing such Unit. All utility services within the Unit's space shall be part of such Unit, and all utilities services contained within a Unit's boundary walls, boundary ceilings and boundary floors which are used only by the Unit and which are not in common use with one or more other Units shall be a part of such Unit;

(s) "Unit Ownership Estate" means the estate consisting of a single Unit in a multi-unit building together with an undivided interest in the Common Elements.

ARTICLE II DESCRIPTION OF IMPROVEMENTS

2.1 Improvements. The improvements constructed on the Property consist of three (3) two-story buildings of frame construction, with stone veneer and lap and gap siding on the exterior. Each building contains four (4) townhouse-type Units. Six (6) Units are three bedroom, two bath townhouses with washer and dryer hookup and a single car garage. Six (6) Units are two bedroom, two bath townhouses with washer and dryer hookup and a single car garage.

2.2 Additional Units. Prior to the annexation of any additional land and improvements pursuant to Article XVII hereof, there shall be only the twelve (12) Units on what will then be defined as the Property. After the first annexation (Phase II), there shall be a total of thirty-two (32) Units on what will then be defined as the Property. After the second annexation (Phase III), there shall be a total of fifty-two (52) Units on what will then be defined as the Property, and after the third annexation (Phase IV), there shall be a

total of seventy-eight (78) Units on what will then be defined as the Property.

2.3 Period of Completion. The Declarant intends to complete all the improvements of the Property (Phase I) within a period of one (1) year from the date of this Declaration. Notwithstanding the foregoing, Declarant shall not be responsible in law or equity to any purchaser or encumbrancer of any Condominium for failure to complete said improvements within such period where such failure is due to strikes, war, insurrection, unavailability of materials or labor or financing, Acts of God or any other cause beyond Declarant's reasonable control.

ARTICLE III CONDOMINIUM OWNERSHIP

3.1 Independent Use and Fee Simple Ownership. Each Condominium shall be conveyed as separate real property capable of independent use and fee simple ownership. Prior to the annexation of additional land and improvements to the Property in accordance with Article XVII hereof, the Ownership Interests of each respective Condominium shall be as listed in Exhibit "B" under the heading "Phase I." After annexation of the first addition of land and improvements, the Ownership Interests of each respective Condominium shall be changed to, and shall be, as listed in Exhibit "B" under the heading "Phase II." After annexation of the second addition of land and improvements, the Ownership Interests of each respective Condominium shall be changed to, and shall be as listed in Exhibit "B" under the heading "Phase III." After annexation of the third addition of land and improvements, the Ownership Interests of each respective Condominium shall be changed to, and shall be as listed in Exhibit "B" under the heading "Phase IV."

3.2 Condominium Defined. Each Condominium consists of a Unit together with its Ownership Interest in the Common Elements. The Ownership Interest in the Common Elements which is appurtenant to each Condominium shall not be separated from such Condominium. The space within each Unit shall not be further subdivided into more than one Unit.

3.3 Waiver of Right to Partition. The Declarant and each subsequent owner of any interest in a Condominium, by acceptance of a conveyance or any instrument transferring an interest, waives the right of partition of any interest in the Property as a whole or its Common Elements, except the partition of an individual Condominium may be obtained provided in such event the Condominium shall be sold and not distributed in kind.

3.4 Perpetual Easement to and from Thoroughfares. All Condominium Owners shall have as an appurtenance to their Condominiums a perpetual easement for ingress to and egress from their Units over driveways, private streets, parking areas, walks and other Common Elements, and from and to the public streets bounding

the Property, and a perpetual right or easement in common with all Condominium Owners to the use and enjoyment of all General Common Elements.

ARTICLE IV
COMMON ELEMENTS AND EXPENSES

4.1 Common Elements Defined. Common Elements means and includes all physical improvements of the Property except the space contained within the Units, which space includes the surface of the boundary walls and the surface of the boundary ceiling and the surface of the boundary floor. The interiors (from the plane of one surface to the plane of the other surface) of the boundary walls, boundary ceilings and boundary floors and the contents thereof (i.e., electrical wiring, plumbing, or other items) in common use by two or more Units are Common Elements.

4.2 General Common Elements Described. General Common Elements of the Property means and includes:

(a) The land, in fee simple, on which the Buildings stand and improvements thereon except any portion thereof included in a Unit or specifically designated as being a Limited Common Element;

(b) The Building exteriors and exterior walls, foundations, columns, supports, main walls, roofs, attic space, a Unit's boundary walls, boundary ceilings and boundary floors (excepting the surface thereof);

(c) Installations of central services including, but not limited to, storm sewer, sanitary sewer, water, power, electricity and natural gas;

(d) All apparatus and installations existing for common use or for the Common Elements;

(e) All personal property held and maintained for the joint use and enjoyment of all Condominium Owners;

(f) All personal property and/or interests in real property where title is held by the Association shall be General Common Elements;

(g) All parking spaces, thoroughfares, roadways, sidewalks, exterior lighting, fences, yard walls, yards, shrubs, plants, trees, and landscaping except as are reserved as Limited Common Elements;

(h) All other elements of the Property necessary or convenient to its existence, maintenance and safety, and normally in common use except those specifically designated as Limited Common Elements.

4.3 Limited Common Elements Described. Limited Common Elements means and includes those Common Elements which are to be reserved for use of certain Units to the exclusion of the other Units as follows:

(a) The driveway adjacent to and immediately in front of each Unit's garage shall be a Limited Common Element for the exclusive use of such Unit, as shown on Exhibit "A" hereto.

(b) The entryway and the patio or deck, as the case may be, adjacent to each Unit shall be a Limited Common Element for the exclusive use of such Unit, as shown on Exhibit "A" hereto.

ARTICLE V
ADMINISTRATION OF UNIT
OWNERSHIP ESTATES

5.1 The Association. The operation and management of the Property shall be administered by the Association, which administration should begin on the first day of the calendar month following the close of the first Condominium to an owner-occupant.

5.2 Transfer of Control. The Declarant shall be required to transfer control of the Association to the Unit Owners, no later than the earlier of the following events:

(a) One hundred twenty (120) days after seventy-five percent (75%) of the Condominiums in the project have been conveyed to owner-occupants;

(b) Three years following conveyance of the first Unit Ownership Estate.

The term "control" means the right of the Declarant to control the Association, the Association Board, the Project, or the Unit Owners in any manner except through votes allocated to Unit Ownership Estates it owns on the same basis as votes pertaining to sold Unit Ownership Estates, but does not include those rights which have been reserved by Declarant in other Sections hereof.

5.3 Powers of Association. The Association shall have all of the powers and duties incident to the operation of the Condominiums as set forth in this Declaration, the Association's By-Laws and Articles of Incorporation, as well as all of the powers and duties set forth in the Oklahoma Unit Ownership Estate Act for the "counsel of unit owners" where such powers are not in conflict with or limited by this Declaration and said By-Laws and Articles. True and correct copies of the Articles of Incorporation and the By-Laws of said Association are attached hereto and incorporated herein in full, marked Exhibit "C" and Exhibit "D", respectively.

5.4 Liability of Officers. In discharging their duties and responsibilities, the Board and the officers of the Association act on behalf of and as representatives of the Association, which acts in the interest of the Condominium Owners. No person acting in any such capacity shall be individually or personally liable or obligated for the good faith performance or failure of performance of such duties.

ARTICLE VI
MEMBERSHIP AND VOTING RIGHTS

6.1 Record Owners Are Members. All Condominium Owners, whose ownership is evidenced by recordation of a proper instrument on the public records of Tulsa County, Oklahoma, including Declarant, shall automatically be members of the Association and their membership shall automatically terminate when they no longer own such interests.

6.2 Condominium's Vote. Each Condominium shall be allotted a vote which may be cast by each respective Condominium Owner as a member of the Association in the governing of the affairs of the Property. The vote of each such Condominium shall be equivalent to its Ownership Interest. Except as specifically otherwise provided in the Association's Articles of Incorporation, the By-Laws or in this Declaration, the affairs of the Association shall be governed by a consensus vote of members holding a majority of the Ownership Interests of all Condominiums during any duly authorized meeting of the members where a quorum is present. A quorum consists of members holding a majority of the Ownership Interests of all Condominiums.

6.3 Association Controlled by the Board. All the affairs, policies, regulations and property of the Association shall be controlled and governed by the Board of Directors of the Association, who (except for the initial Board) shall be elected by the Condominium Owners entitled to vote. A Director or officer need not be a Condominium Owner.

6.4 Association to Maintain Register. The Association shall at all times maintain a register setting forth the names of all Condominium Owners, and any purchaser or transferee of a Condominium shall notify the Association of his interest in such Condominium. Condominium Owners shall be required to notify the Association of the name and address of any party holding a mortgage upon any Condominium, and any release thereof and the name of all lessees, and of any release or expiration thereof in order that the Association may keep an up-to-date record thereof.

ARTICLE VII
ASSESSMENTS, COLLECTION LIEN,
ENFORCEMENT LIMITATIONS

7.1 Annual Budget. The Board shall approve an annual budget (in the form of a pro-forma operating statement) in advance for each fiscal year and the budget shall project anticipated income, Common Profits and estimated Common Expenses in sufficient detail to show separate estimates for insurance as set forth in Article XI herein. In determining such Common Expenses, the Board shall provide for an operating reserve fund for capital expenses for those Common Elements which must be repaired or replaced on a periodic basis.

Failure of the Board to include any item in the annual budget shall not preclude the Board from levying an additional assessment in any fiscal year for which the budget has been projected.

7.2 Monthly Payment of Annual Assessment. The Association shall assess the annual budgeted sum (the "annual or regular assessment") by delivering or mailing notice thereof to the Condominium Owner designated on the books of the Association as the voting member representing each Condominium at such Condominium Owner's most recent address as shown by the books and records of the Association. One-twelfth (1/12) of the annual assessment shall be due and payable in advance to the Association on the first day of each month, except that payments in advance for more than one-twelfth (1/12) will be accepted.

7.3 Special Assessments. Special assessments may be made by the Board from time to time to meet other needs or requirements of the Association. Such assessments shall be restricted to the following purposes and their respective limitations:

(a) Special assessments to provide for the actual operation, management or maintenance of the Condominiums, including emergencies, repairs or replacements, and infrequently recurring items of maintenance, provided that, any single assessment may not exceed five percent (5%) of the aggregate annual budget, nor may the total of such special assessments in any twelve (12) month period exceed twenty percent (20%) of the aggregate annual budget;

(b) Special assessments for additions, alterations or capital improvements, the cost of which exceeds ten percent (10%) of the aggregate annual budget, shall not be levied without the prior approval of members holding two-thirds (2/3) of the Ownership Interests;

(c) All other special assessments for additions, alterations or capital improvements, the cost of which does not exceed ten percent (10%) of the aggregate annual budget, and special assessments to finance activities related to the actual operation, management or maintenance of the property which exceed five percent (5%) of the aggregate annual budget, or which in a twelve month period exceed twenty percent (20%) of the aggregate annual budget, shall not be levied without the prior approval of a Majority of Ownership Interests.

These provisions for the levying of special assessments are not intended, and should not be construed, to limit the Board's authority to provide for repairs, replacements or other items of maintenance from those reserve funds expressly established for such purposes.

7.4 Liability Cannot Be Avoided. The liability for any assessment or portion thereof may not be avoided by a Condominium Owner or waived by reason of such Condominium Owner's waiver of the use and enjoyment of any of the Common Elements or by his abandonment of his Unit.

7.5 Real Property Taxes During Initial Year. Should real and personal property taxes be assessed against the Property as a whole in the initial year, same shall be paid by the Association which shall in turn assess each Condominium Owner according to his Ownership Interest for his proportionate share of such taxes as reimbursement to the Association, until such time as the Condominiums are separately assessed. This provision shall not be construed to relieve any Condominium Owner of his principal liability to pay such tax or to prohibit any mortgagee of a Condominium from collecting taxes in advance as impounds, provided such mortgagee shall reimburse the Association for its allocated share of said taxes.

7.6 Personal Liability for Assessment, Enforcement Expenses. The Condominium Owners of record at the time of assessment shall be personally liable to the Association for the payment of all assessments, regular or special, made by the Association and for all costs of collection of delinquent assessments including attorney's fees. An individual Condominium Owner may be assessed for expenses of collection. Expenses incurred by the Association as a result of the violation of the rules, By-Laws, Articles of the Association or of this Declaration by the Condominium Owner or his tenants or guests may be assessed against such Condominium Owner and/or tenant.

7.7 Interest on Unpaid Assessments. Assessments that remain unpaid for over thirty (30) days after due date shall bear interest at the maximum legal rate until paid.

7.8 Lien for Unpaid Assessments. The Association shall have a lien on each Condominium for any unpaid assessment and the fees, late charges, fines, interest and collection costs (including attorney's fees) thereon which have been assessed against the Condominium Owner. The said lien shall be effective from and after the date on which such assessment becomes due. Such lien on a Unit shall be prior to all other liens except the following:

(a) Mortgages or other such encumbrances duly recorded prior to the date such assessment becomes due;

(b) Assessments, liens and charges for taxes past due and unpaid on the Unit;

(c) Judgments entered in a Court of Record prior to the date such Common Expense assessment becomes due;

(d) Mechanic's and materialmen's liens arising from labor performed or material furnished upon a Unit prior to the date such assessment becomes due; and

(e) 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 Owners, which constitute a part of an assessable charge for Common Expenses, satisfaction of which shall discharge the assessment to the extent of the payment made.

In the event assessments against a Condominium are not paid within sixty (60) days after their due date, the Association shall have the right to foreclose its lien for such assessments. The Board may take

such action as it deems necessary to collect assessments by personal actions or by enforcing and foreclosing said lien and may settle and compromise the same if in the best interests of the Association. The delinquent Condominium Owner shall pay all costs, including reasonable attorney's fees, for filing any action or suit enforcing and foreclosing a lien, and the lien shall be deemed to cover and secure such costs and fees. The Association shall be entitled to bid at any sale pursuant to a suit to foreclose an assessment lien and to apply as credit against said bid all sums due the Association which are covered by the lien enforced. During the period of any foreclosure proceeding, the owner of the Condominium being foreclosed shall be required to pay to the Association the monthly assessment for the Condominium and shall be required to pay a reasonable rental value for such Condominium; and the Association shall be entitled to the appointment of a receiver to collect same.

7.9 First Mortgagee in Foreclosure Not Liable for Past-Due Assessments. The holder of a first mortgage acquiring title to a Condominium by foreclosure of its mortgage or by acceptance of a voluntary conveyance in lieu thereof, or a purchaser at judicial sale resulting from the foreclosure of a first mortgage, and their successors and assigns, shall acquire title free and clear of all delinquent assessments of such Condominium. Provided, however, nothing herein shall be construed to abridge the rights of the Association to foreclose its lien as provided by the Act. This provision shall not allow the new Condominium Owner to avoid his proportionate share of any special assessment which may be made on all Condominiums after the new Condominium Owner's acquisition of title and which is made as a result of such delinquent assessments.

7.10 Purchasers' Joint Liability for Past-Due Assessments; Estoppel Letter of Association. Except as provided in Section 7.9 above, any Person who acquires an Ownership Interest in a Condominium shall be personally liable, and jointly and severally liable with the grantor, for all unpaid assessments up to the time of the transfer of ownership. Provided, however, that any Person purchasing or encumbering a Condominium shall have the right to rely upon any statement made in writing by an officer of the Association regarding assessments which have already been made and which are due and payable to the Association, and the Association and the Condominium Owners shall be bound thereby and estopped from making any claims either against such Purchaser or encumbrancer or against the Condominium.

7.11 Declarant's Assessment Reduced. Notwithstanding any provisions to the contrary contained herein, Declarant shall not be required to pay any portion of any assessment, whether regular or special, on any Condominium Unit of a Building which has not been completed. Such payment shall be controlled by the time at which responsibility for providing insurance coverage of the Building and its Units is transferred from the Declarant to the Association pursuant to Section 11.3 hereof. Thereafter, the Declarant shall be

required to contribute only twenty percent (20%) of the declared assessments for all Condominiums owned by it, which are located in such a Building, provided such Condominiums subject to the reduced assessment are not completed and not ready for sale and occupancy. However, should sufficient income not be available to the Association on a monthly basis to meet its monthly expenses, then Declarant shall be required to supplement such income (up to, but not exceeding, 100% of the assessment of all Units owned by Declarant) in order for the Association to break even.

7.12 Taxes and Assessments Relating to Property in Later Phases Prior to Annexation. Declarant shall be required to pay or otherwise satisfactorily provide for all taxes and other assessments relating to the property in later phases, covering any period prior to the annexation of such property.

7.13 Commencement of Regular Assessments. The regular assessments shall commence as to all Condominiums on the first day of the calendar month following the month in which the first sale of a Condominium occurs transferring title from Declarant to an owner-occupant.

7.14 Fiscal Year. The initial fiscal year of the Association shall end on the earlier to occur of: (i) the last day of the month preceding the anniversary date of the commencement of regular assessments; or (ii) the last day of the month in which control of the Board of Directors of the Association is turned over to the purchasers of Condominiums by the Declarant as provided in Section 7.2 of the By-Laws. The fiscal year of the Association may thereafter be changed from time to time by the Board of Directors of the Association as they may deem necessary.

ARTICLE VIII
RESPONSIBILITY FOR
MAINTENANCE AND REPAIRS

8.1 Condominium Owner. Each Condominium Owner shall bear the cost of and be responsible for the maintenance, repair and replacement, as the case may be, of: (i) all doors, glass doors, and windows enclosing his Unit; (ii) all electrical and plumbing fixtures, kitchen and bathroom fixtures, and all other appliances or equipment, which may now or hereafter be affixed and contained within his Unit; (iii) all wire, conduit, plumbing, or other fixtures and equipment and their connections required to provide all utility services including, without limitation, water, electricity, natural gas, telephone, cable television, sewage and sanitary service to his Unit and which are affixed and contained within the Unit; (iv) all plumbing, wire, conduit, circuit breakers, or other fixtures and equipment and their connections required to provide all utility services to his Unit including, without limitation, water, electricity, natural gas, telephone, cable television, sewage and sanitary service, and which are located in the boundary ceilings, boundary walls or boundary

floors of his Unit and which are not in common use with other Units; (v) the heating, ventilating and air conditioning system, including the compressor and fan coil units servicing his Unit; (vi) the general interior of his Unit including the interior partition walls, and the surfaces of the boundary ceilings, boundary walls and boundary floors; and (vii) the electrical wiring providing electrical service to such Unit from the Unit to the electrical meter of the public utility company. All such items shall be owned by the Condominium Owner and, the repair and replacement of these items will be the responsibility of each Condominium Owner. Each Condominium Owner shall maintain and keep his Unit in good repair as a first class Condominium project and shall not allow the deterioration of his Unit which may adversely affect the values of other Condominiums.

8.2 The Association. The Association, as a Common Expense, shall be responsible for the maintenance, repair and replacement of all the Common Elements, including those portions thereof which contribute to the services and support of the Buildings, and which are in common use by Units, including, but not limited to: (i) all plumbing, wires, conduit, circuit breakers, or other fixtures and equipment and their connections required to provide all utility services used in common by Units or by the Common Elements including, without limitation, water, electricity, natural gas, telephone, cable television, sanitary sewage, storm sewage, heating, ventilating and air conditioning systems; (ii) the maintenance of the roof, interiors of the boundary ceilings, boundary walls, and boundary floors, and exterior of the Buildings; (iii) the patios or balconies of the Units; and (iv) the structure and exterior of the Buildings. Should any damage be caused to any Condominium by reason of any work which may be caused to be done by the Association in the maintenance, repair or replacement of the Common Elements, the Association shall bear the expense of repairing such damage as a General Common Expense.

8.3 The Declarant. Notwithstanding the other provisions of this Article VIII, the Declarant shall be responsible for the maintenance, repair and neatness of all Common Elements under active construction, including land areas, parking areas, yards, walks, and Buildings. Declarant shall also be responsible for the maintenance and repair of the Units under construction.

8.4 Enforcement in Court. In the event a Condominium Owner fails to maintain his Condominium as required herein, the Association, or in the proper case, another Condominium Owner, shall have the right, as a remedy in addition to its other rights, to proceed in a Court of Equity to seek compliance with the provisions hereof, and for damages should the Association suffer any expense in connection with such violation.

ARTICLE IX
LIMITATIONS UPON CONDOMINIUM OWNERS TO
MAKE ALTERATIONS

9.1 General. No Condominium Owner (without prior approval of the Board) shall cause any improvements or changes to be made to the Common Elements or to the exterior of the Building or to the terraces, including painting or other decoration, the installation of awnings, shutters, electric wiring and other things which might protrude through or be attached to the walls of the Building. In giving approval for any such alterations, the Board may impose any requirements or restrictions which it deems appropriate and which are reasonably necessary to promote the uniformity of such alterations, and the safety of the Property and inhabitants of the Condominiums.

9.2 Joinder of Two Condominiums. A Condominium Owner who owns two (2) adjacent Condominiums in a Building is hereby granted an easement in the Common Element wall separating the two Condominiums for purposes of constructing ingress and egress between the two Condominiums except where such wall is a fire wall. Provided, however, such Common Element boundary wall and its contents shall become the responsibility of such Condominium Owner for all purposes in the same manner as provided herein for partition walls within a Condominium; and further provided, that any such construction shall be prohibited if it shall enhance the rate of deterioration of the structure or shall be prohibited by governmental authority or regulatory agency.

9.3 Approval of Plans by Board. All proposed plans for construction must be approved by the Board, and the Board may impose any reasonable requirement upon the Condominium Owner including, without limitation, the posting of a performance bond and such architectural, engineering or other technical reports and studies at the expense of the Condominium Owner, as may be reasonable under the circumstances to assure the Board of the continued safety and structural integrity of the Building.

9.4 Enforcement in Court. In the event a Condominium Owner makes any structural addition or alteration without the required written consent of the Board, the Association, or in the proper case, another Condominium Owner, shall have the right, in addition to its other rights, to proceed in a Court of Equity to seek compliance with the provisions hereof, and for damages should the Association or Condominium Owner suffer any expense in connection with such violation.

ARTICLE X
ADDITIONS, ALTERATIONS OR IMPROVEMENTS
BY THE ASSOCIATION;
LIMITATION UPON LIABILITY OF THE ASSOCIATION

10.1 General. When the Board of Directors shall determine that additions, alterations or capital improvements in excess of the usual budgeted items of maintenance or replacement are required, and the making of such additions, alterations or improvements has been approved by the appropriate proportion of the Ownership Interests, then the Board shall proceed with such additions, alterations, or improvements and, unless financed through borrowing by the Association, shall specially assess all Condominium Owners for the cost thereof as a Common Expense. Any such special assessment may, if so directed by the Board, be made in installments.

10.2 Latent Defects, Association Not Liable. The Association shall not be liable for injury or damage to the Property of a Condominium Owner caused by any latent condition of the Property, notwithstanding the Association's duty to repair and maintain the Common Elements and Limited Common Elements.

ARTICLE XI
INSURANCE

11.1 Power of Attorney to Procure Insurance. Each Condominium Owner, upon acceptance or acquisition of title to such Condominium, thereby irrevocably constitutes and appoints the Association his true and lawful attorney in fact to select, procure, place, maintain, manage, enforce, make claims, settle claims, and litigate claims with respect to all forms of insurance hereinafter required to be provided by the Association. This provision, however, shall not prevent a Condominium Owner from securing additional separate insurance as he may desire; and the error or omission of the Association to procure any such insurance as described herein shall not constitute a cause of action for or on behalf of any Condominium Owner against the Association and any such cause of action is hereby waived.

11.2 No Insurance on Personal Property. Unless the Board of Directors elects to obtain a blanket personal property or contents policy for the Condominium Owners, no such policy shall be required to be administered by the Association, except with regard to the personal property of the Association.

11.3 Insurance to Be Procured. The Association shall procure insurance for the benefit of the Association, the Condominium Owners and their mortgagees as their interests may appear, specifically including, but not limited to, fire and extended coverage upon the Buildings comprising the completed Condominiums and personal property owned by the Association in amounts equal to the maximum replacement value thereof, general comprehensive liability insurance,

fidelity bond covering officers and employees of the Association having possession or control of the funds of the Association and workmen's compensation as required by law. All such policies of insurance must be issued by a responsible insurance company or companies licensed and authorized to do business in Oklahoma, the premium rates not to exceed the standard rates established by the Oklahoma State Insurance Commission. All such insurance policies must be issued in blanket policy form, naming the Association as the insured, together with the individual Condominium Owners (who need not be specifically listed by name). The Association shall maintain fire and extended coverage for the Buildings comprising the completed Condominiums, and for all of the General Common Elements and Limited Common Elements, including fixtures and building service equipment to the extent they are part of the Common Elements of the Condominiums, and for the personal property and supplies belonging to the Association. In addition, any fixtures, equipment or other property within the Units which are to be financed by a mortgage to be purchased within the secondary mortgage market, (regardless of whether or not such property is a part of the Common Elements) must be covered in the blanket policy. The Declarant shall maintain such other coverage as may be appropriate for Units under construction, and when the Declarant determines that a Building and its Units are sufficiently completed to remove same from its construction insurance policy coverage, the Declarant shall notify the Association which, in turn, shall arrange coverage of the Building and its Units. The policies shall all be in an amount equal to one-hundred percent (100%) of the current replacement cost of the Buildings, the Units within said Buildings, the above specified personal property, and the common areas, exclusive of items normally excluded from coverage.

11.4 Mortgagee Endorsements. Provisions shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of each Condominium Owner, if requested, but, in such event, only to the extent of their interests in the Property. No such endorsement shall permit the payment or settlement of any claim by such mortgagee except in the case of the total destruction to all improvements of the Property and in the event such improvements are not reconstructed with the proceeds of such insurance.

11.5 Insurance Cost a Common Expense. Premiums on insurance policies purchased by the Association shall be paid by the Association as a General Common Expense.

ARTICLE XII

RECIPROCAL EASEMENTS, ENCROACHMENTS

12.1 Reciprocal Easements for Repairs. Each Condominium Owner hereby grants easements to other Condominium Owners to enter into each Condominium, or to utility companies to enter into each Condominium, to repair, replace or improve the plumbing, heating,

electrical systems, or other utility services located thereon, which are accessible only thereon, subject to the limitations on entry into any Condominium set forth in Section 12.2 below. Any physical damage resulting from such entry shall be repaired at the cost of the entering party.

12.2 Easements to Association for Repairs. Each Condominium Owner hereby grants easements to the Association to enter into each Condominium, or to utility companies to enter into each Condominium, to repair, replace or improve the plumbing, electrical systems, or other utility services contained in the Common Elements, or for any purpose reasonably related to the performance by the Association of its responsibilities under this Declaration. The Association's agents or employees shall have the right, after reasonable notice to the Condominium Owner, to enter his Condominium or Limited Common Element, or any General Common Element accessible from each Condominium, at reasonable hours; provided, however, except during an emergency, there shall be no entry into a Condominium without the Condominium Owner's consent, which consent shall not be unreasonably withheld. Any entry into a Condominium shall be made with as little inconvenience to the Condominium Owner as possible, and any damage caused shall be repaired at the cost of the Association (except where such entry was due to an emergency relating to the Unit entered).

12.3 Encroachments. If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall hereafter occur as the result of settling of the Building, or alteration to the Common Elements made pursuant to the provisions herein, or as the result of repair and restoration, a valid easement shall exist for the continuance of such encroachment for so long as the same shall exist.

12.4 Association May Grant Easements. Each Condominium Owner, upon acceptance or acquisition of title to such Condominium, thereby irrevocably constitutes and appoints the Association his true and lawful attorney-in-fact to grant and convey permits, licenses and easements for ingress and egress, roads and/or for the placement, installation and maintenance of utility services in and over the Common Elements upon the terms and conditions as the Board may, in its exclusive discretion, determine to be reasonable, whether such easements are for the benefit of the Condominiums or the Property or for the benefit of third parties or real property not included in the Property.

ARTICLE XIII

USE RESTRICTIONS AND REGULATIONS

13.1 Residential Condominium Use. Each Condominium is hereby restricted to single-family type residential use by the Condominium

Owner thereof, and his immediate family, with normal use of guests, invitees and tenants.

13.2 Leasing. Tenancies of not less than thirty (30) days may be granted by a Condominium Owner and shall be by written lease, a copy of which shall be delivered to the Secretary of the Association, and which shall state that a violation of the restrictions of the Declaration and/or By-Laws or of the rules promulgated thereunder shall be a breach of the lease allowing such lease to be terminated by the Condominium Owner or the Association. By occupying a Condominium, all tenants acknowledge the validity of the Declaration, the By-Laws, and the Articles of Incorporation of the Association and agree to be bound by their provisions in the same fashion as if such tenants were Condominium Owners. No rooms within a Condominium may be rented and no transient tenant may be accommodated. Condominiums which are subject to a lease may be regularly occupied by no more than four (4) individuals in the case of a two bedroom Condominium and by no more than six (6) individuals in the case of a three bedroom Condominium. No lease of a Condominium shall release or discharge the Condominium Owner thereof from compliance with this Article XIII or any of his other duties as a Condominium Owner. No tenancy shall be valid unless it conforms to this Section 13.2. All tenancies in violation of this Section may be terminated by the Association in the same fashion as an owner may terminate a month-to-month tenancy in accordance with the Oklahoma Residential Landlord and Tenant Act in the case of a breach of a lease agreement. The leasing of Condominiums may be further restricted by provisions in the By-Laws. The other provisions of this Section notwithstanding, nothing herein shall be construed to prohibit the granting of a lease of lesser term by the Declarant or by a first mortgagee in possession or by the Association during foreclosure proceedings.

13.3 Nuisances, Trash Prohibited. No nuisances (including, without limitation, the emitting of noise, odors or electrical disturbances from a Condominium) shall be allowed to be committed or maintained upon the Property, or within a Condominium, nor any use or practice that is the source of annoyance to residents of the Condominiums or which interferes with the peaceful possession and proper use of the Property. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse, garbage, toys or equipment, shall be allowed to accumulate, nor any fire hazard allowed to exist. No Condominium Owner shall permit any use of his Condominium or make use of the Common Elements that will increase the cost of insurance upon the Property.

13.4 Offensive Uses Prohibited. No commercial, business, immoral, improper or offensive use shall be made of the Property nor any part of a Building. No installation of appliances in the windows or on the terraces, or from the facades of any Building, or attachment of any item to any Building which would detract from the general appearance of the Property shall be allowed. The provisions

of this Section shall not limit the authority of the Board under Section 9.1 hereof.

13.5 Pets Restricted. The By-Laws may restrict the keeping of pets on the Property. Pets shall not be allowed on the Common Elements except as permitted by the rules made by the Board. All pets shall continuously be personally accompanied and kept on a leash when outside of the Condominium and while on the Property. The Condominium Owner shall not allow such pets to excrete upon the General Common Elements, and if same occurs, the Condominium Owner shall immediately remove and clean such excretion from the General Common Elements. Notwithstanding the privileges granted or restricted by this Section, the Board may require the removal from the Property of any or all pets considered by the Board to be exotic, frightening to other owners, vicious, dangerous or which may constitute a nuisance. Upon a vote of members holding a majority of the Ownership Interests, pets may be prohibited from the project entirely provided such prohibition contains a "Grandfather Clause" for existing permitted pets.

13.6 Regulation. Reasonable regulations concerning the use of the Property may be made and amended from time to time by the Board of Directors of the Association.

13.7 Association May Inspect. Upon reasonable notice to the Condominium Owner, the Board or the agent and employees of the Association may enter any Condominium for the purpose of inspection of the Condominium or the Common Elements to determine the necessity for repair or maintenance or to determine compliance with these restrictions, reservations, covenants, conditions and easements, and with the By-Laws of the Association.

13.8 Signs and Antennas Prohibited. No sign, poster, writing, symbol, advertisement or notice of any type shall be shown on the Common Elements or on the exterior of any Condominium without the written permission of the Board. No exterior antennas and aerials shall be erected on or attached to the Building.

13.9 Use of General Common Elements. A Condominium Owner shall not place or cause to be placed in the General Common Element areas any furniture, fences, structures, out buildings, pet facilities, toys, recreational equipment, packages, objects or things of any kind. Such areas shall be used for no other purpose than for normal use for which they are intended. A Condominium Owner shall not hold public meetings or gatherings on the Common Elements or regular private parties or meetings of non-residents which interfere with the availability of Common Element amenities to the residents of the Property.

13.10 Use of Courtyard and Patio or Deck. A Condominium Owner shall not place or cause to be placed on a Condominium patio or deck any items, furniture, fences, out buildings, toys, recreational equipment, packages, or objects of any kind which are not customarily and ordinarily intended to be placed and used on a

patio or deck and which are visible at ground level over the patio fence.

13.11 Attachments to Buildings. It is prohibited to hang or attach any garments, rugs, or things from the windows or on any of the terraces, or from any of the facades of any Building, or to any Building, or to install appliances in the windows or on the terraces, or on the facades of any Building, or to attach any item to any Building that would detract from the general appearance of the Property. The provisions of this Section shall not limit the authority of the Board under Section 9.1 hereof.

13.12 Limited Use of Parking Spaces. No parking space may be used for any purpose other than parking passenger automobiles or pick-up trucks of one-half ton or less, which are in operating condition and which are in a condition so as not to detract from the appearance of the Property as a first-class condominium complex. No other vehicles or objects, including but not limited to, trucks of greater than 1/2 ton, trailers, campers, boats, motor homes or similar vehicles, may be parked or placed upon any portion of the Property unless permitted under rules promulgated by the Board or except as provided herein. No parking space shall be used by any person other than an occupant of a Condominium who is an actual resident or by a guest or visitor and by such guest or visitor only when such guest or visitor is, in fact, visiting and upon the premises. A resident of a Condominium may park or keep no more than one (1) motorcycle on the Property, provided such motorcycle is parked only in the Unit's garage. No person shall be permitted to keep a motorcycle on the Property which is not adequately equipped with sound suppression devices to provide for quiet operation. The Board may cause any motorcycle not used in conformance herewith to be removed from the Property and stored at the said Condominium Owner's expense.

13.13 Declarant's Right to Sell Units. Until the Declarant has closed all of the sales of Condominiums, neither the other Condominium Owners nor the Association shall interfere with the sale of such Condominiums.

13.14 Condominium Owners' Right to Sue. Any person claiming an interest in the Property by, through or under the Declarant or by virtue of any judicial proceedings, or the Association, or the Condominium Owners, or a mortgagee, or any of them, severally, shall have the right to proceed against any other such person at law for damages or in equity to compel their compliance with the terms hereof or to prevent the violation or breach of the terms hereof, or for such other relief as may be appropriate. Further, whenever any structure has been built or installation made which violates the terms hereof, the Association shall have the right to enter upon the Property where such violation exists and summarily abate or remove the same and make the necessary repairs or improvements where such violation occurred, so that the Property shall be in the same condition

as it was before said violation occurred, all at the expense of the Condominium Owner; and any such entry and abatement or removal shall not be deemed a trespass.

ARTICLE XIV
RESERVATION OF DECLARANT

14.1 General. Notwithstanding the other provisions of this Declaration which may restrict the use of the Common Elements or of a Condominium, or which may restrict the amendment of the Declaration, the Declarant reserves unto itself and its successors and assigns of its interest in the Property who are specifically delegated the capacity of "declarant," the rights as enumerated in this Article XIV until the expiration of the below enumerated time periods.

14.2 Sell Mortgage and Lease. For a period of seven (7) years, Declarant reserves the unrestricted right to sell, assign, mortgage, rent, or lease (for any term and without written lease) any Condominium which it continues to own after the Recordation of this Declaration and to post signs, banners, flags, decorations or other things on the Property advertising said Condominiums for sale, lease or rent.

14.3. Construction of Buildings, Units and Common Elements. For a period of seven (7) years, Declarant reserves an easement over all Common Elements for the purpose of access, ingress, egress, and materials' storage, as such may be necessary or convenient to Declarant in its activities related to the construction or operation of Buildings, Units and Common Elements of the Property or of property to be annexed to the Property.

14.4 Physical Changes; Amend Declaration; Annex Phases. For a period of seven (7) years, Declarant reserves the right to change the locations of Buildings not yet constructed at the time of such change, change the interior design and arrangements of all Condominiums not yet constructed at the time of such change, to alter the boundaries between Condominiums not yet constructed at the time of such change, and to change the size or price thereof, so long as Declarant owns the Condominiums so altered. Provided that no such change shall increase the number of Condominiums or change their Ownership Interests in the Common Elements except as permitted and provided in Article XVII hereof.

An amendment of this Declaration reflecting any of the aforesaid alterations of Condominium plans by the Declarant need be signed and acknowledged only by the Declarant and need not be approved by the Condominium Owners or mortgagees.

14.5 Grant Easements. For a period of seven (7) years, the Declarant expressly reserves the right to grant to the City of Tulsa, Oklahoma, or any public utility company, easements to facilitate the construction of additional utility services to serve all or any portion of the Property; and further to grant such easements as may reasonably be necessary to facilitate the construction of residences or

condominiums on the tracts as described in Article XVIII hereof. The granting of such additional easements by the Declarant shall not require the amendment of this Declaration or the consent of any Condominium Owners or their mortgagees so long as such easements do not encroach upon any Building of the Property.

14.6 Sales Efforts, Sales Office. For a period of seven (7) years, neither the use of the Property nor any Condominium Owner, Board of Administrators or officers of the Association shall interfere with the construction activities of the Declarant or with the completion of the contemplated improvements and the sale of the Condominiums on the Property or on land to be annexed to the Property by Declarant under Article XVII. Declarant may make such use of the unsold units and Common Elements as may facilitate such construction activities, and such completion and sale, including but not limited to, the storage of materials, maintenance of offices, the showing of the Property, the holding of meetings or conferences for sales purposes.

14.7 Amendments by Declarant. So long as Declarant owns title to all Condominiums, Declarant may amend or modify any provisions of the Declaration or By-Laws as permitted by the Unit Ownership Estate Act.

ARTICLE XV

RESPONSIBILITY OF CONDOMINIUM OWNERS

15.1 Personal Liability for Violations. Each Condominium Owner shall be governed by and shall comply with the provisions of this Declaration as well as with the By-Laws and Articles of Incorporation of the Association and the rules and regulations promulgated by the Board of Directors. Each Condominium Owner shall be liable for the expense of any maintenance, repair or replacement made necessary by his act, neglect or carelessness, or by that of any member of his family, or his or her guests, employees, agents or lessees (but only to the extent that such expense is not met by the proceeds of insurance carried by the Association), which expense shall be assessable to such Condominium Owner by the Association. Such liability of the Condominium Owner shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of such Owner's Condominium. Nothing herein contained, however, shall be construed so as to modify any waiver of rights of subrogation by insurance companies.

15.2 Liability for Costs. Failure to comply with the terms of this Declaration or the By-Laws of the Association shall be grounds for an action to recover damages and/or injunctive relief, or both, maintainable by the Association or, in the proper case, by a Condominium Owner. In any successful action brought against a Condominium Owner by the Association (or, in the proper case, by a Condominium Owner) for damages or injunctive relief due to such Condominium Owner's failure to comply with the provisions of this Declaration or By-Laws of the Association, the prevailing party shall

be entitled to court costs, reasonable attorney's fees and expenses incurred by it in connection with the prosecution of such action.

15.3 Liquidated Damages. The purpose of the covenants, conditions, and restrictions contained in this Declaration, and of the rules and regulations to be promulgated by the Association is to promote the health, safety and welfare of the occupants, tenants, and Condominium Owners, and to protect their respective Property interests. The violation of these covenants, conditions, restrictions, rules or regulations (except where such violation relates to the non-payment of money) by one occupant, tenant or Owner will result in incidental and consequential damages to the other occupants, tenants or Owners, and to the Association. Such consequential and incidental damages will be in addition to any actual damages suffered by such persons. Since such consequential and incidental damages will be suffered mutually by all occupants, tenants, and Condominium Owners, the Association shall be and is hereby delegated and given the right to sue and collect such incidental and consequential damages, and to keep and use such recovered damages for the benefit of the Condominium Owners and the occupants and tenants of Condominiums. Further, since such incidental and consequential damages will be difficult, if not impossible, to accurately calculate or determine, then the liquidated damages provided in this Section shall be awarded to the Association. In the event the Association is awarded injunctive relief in suit or counterclaim against an occupant or tenant of a Condominium or against a Condominium Owner, for the violation of any of the covenants, conditions or restrictions contained herein, (except those relating to the non-payment of money) or for the violation of any rules or regulations of the Association which prohibit any act or misconduct detrimental to the Property or the health or safety of other occupants, tenants or Owners, then the Association shall be entitled to the following liquidated damages for incidental and consequential damages from such violation, in addition to any injunctive relief (and, in the proper case, in addition to actual damages), to-wit:

(a) For the first suit successfully maintained by the Association against a violator, the Association shall be entitled to recover a sum equal to two-thirds (2/3) of the annual budgeted assessment for the Condominium occupied or owned (as the case may be) by the violator;

(b) For the second suit successfully maintained by the Association against a violator, the Association shall be entitled to recover a sum equal to two-thirds (2/3) of the annual budgeted assessment for the Condominium occupied or owned (as the case may be) by the violator;

(c) For the third and any subsequent suits successfully maintained by the Association against a violator, the Association shall be entitled to recover a sum equal to the annual budgeted assessment for the Condominium occupied or owned (as the case may be) by the violator.

Any judgment awarded the Association for incidental or consequential damages under this Section shall be a lien against the interest (i.e., leasehold, fee simple estate, etc.) of the violator in the Condominium which he owns or occupies, which lien may be foreclosed in the same manner as the lien of the Association for assessments.

15.4 Fines Assessed by the Association. The Association may from time to time deem it necessary to establish a list of offenses and fines and penalties therefor. After notice of an offense and its respective fine is given to a resident of the project and the Owner of the resident Condominium, then, should the resident fail to cease and desist in committing the recurring or continuing offense, the Board may, as liquidated damages, assess the fine against the Condominium in which the offender resides, which fine shall have the same status against the Condominium as a special assessment.

ARTICLE XVI

MORTGAGE OF UNIT OWNERSHIP ESTATE

16.1 Any Condominium Owner shall have the express right from time to time to mortgage or encumber his Condominium by deed of trust, mortgage or other security instrument. A first mortgage shall be one which has first and paramount priority under applicable Oklahoma Law.

ARTICLE XVII

PHASED SUBMISSION OF LAND TO THE ACT

17.1 Phase I Land Definition. The land and improvements of the Property prior to the annexation of any other land thereto as hereinafter provided, is referred to as the "Phase I Land."

17.2 Phase II Land. The Declarant is the owner of fee simple title in and to the following described land, together with all improvements thereon and appurtenances thereto belonging, situated in Tulsa County, Oklahoma, to-wit:

Lots Thirteen (13) through Thirty-two (32), inclusive, and Lot Seventy-nine (79) less and except the West 288.66 feet thereof of CEDARCREST PARK, a re-subdivision of Lots One (1) through Eleven (11) in Block Two (2) of CEDARCREST, an addition to the City of Tulsa, Tulsa County, State of Oklahoma, according to the recorded plat thereof,

all of which, together with the buildings and improvements to be constructed thereon, are herein referred to as the "Phase II Land."

17.3 Phase III Land. The Declarant is the owner of fee simple title in and to the following described land, together with all improvements thereon and appurtenances thereto belonging, situated in Tulsa County, Oklahoma, to-wit:

Lots Thirty-three (33) through Fifty-two (52), inclusive, and Lot Eighty (80) of CEDARCREST PARK, a re-subdivision of Lots One (1) through Eleven (11) in Block Two (2) of CEDARCREST,

an addition to the City of Tulsa, Tulsa County, State of Oklahoma, according to the recorded plat thereof,

all of which, together with the buildings and improvements to be constructed thereon, are herein referred to as the "Phase III Land."

17.4 Phase IV Land. The Declarant is the owner of fee simple title in and to the following described land, together with all improvements thereon and appurtenances thereto belonging, situated in Tulsa County, Oklahoma, to-wit:

Lots Fifty-three (53) through Seventy-eight (78), inclusive, and Lot Eighty-one (81) of CEDARCREST PARK, a re-subdivision of Lots One (1) through Eleven (11) in Block Two (2) of CEDARCREST, an addition to the City of Tulsa, Tulsa County, State of Oklahoma, according to the recorded plat thereof,

all of which, together with the buildings and improvements to be constructed thereon, are herein referred to as the "Phase IV Land."

17.5 Phased Development. The Declarant intends, but is not obligated, to develop the Phase II Land in the same manner as the Phase I Land. Such development is intended to immediately succeed the substantial completion of construction of the improvements and condominiums on the Phase I Land. Further, the Declarant intends, but is not obligated, to develop the Phase III Land in the same manner as the Phase II Land. Such development is intended to immediately succeed the substantial completion of construction of the improvements and condominiums on the Phase II Land. Further, the Declarant intends, but is not obligated, to develop the Phase IV Land in the same manner as the Phase III Land. Such development is intended to immediately succeed the substantial completion of construction of the improvements and condominiums on the Phase III Land.

17.6 Standards for Development. As a condition to annexation, Declarant shall construct the buildings and improvements to be located on the Phase II Land, the Phase III Land and the Phase IV Land in reasonably the same manner, using the same architectural building designs, grades of construction materials and building standards, as was used in the construction of the original improvements on the Phase I Land. The number of Units to be constructed in either Phase II, Phase III and Phase IV, and/or the Ownership Interests set forth in the tables of Exhibit "B" for each such Unit, shall not be altered by the Declarant without the unanimous consent of the Condominium Owners in existence prior to any annexation, in accordance with the Act. Each Unit to be constructed on the Phase II Land, the Phase III Land and the Phase IV Land shall be constructed in a manner so that its fair value, at the date of its annexation to the Property, when compared to the then aggregate fair value of all the Units which shall be a part of the Property immediately upon such annexation, shall be approximately the same ratio as its respective Ownership Interest as listed in Exhibit "B" hereof.

17.7 Submission of Phase II, Phase III and Phase IV Lands to the Act. The Declarant intends, but is not obligated, to submit the Phase II Land, the Phase III Land and the Phase IV Land to the provisions of the Act by annexation or addition of such land to the Property. Such annexation is intended to occur upon substantial completion of the respective improvements and condominiums on each of the phases. In doing so, the Phase II Land will be subdivided into twenty (20) Residential Units, the Phase III Land will be subdivided into twenty (20) Residential Units, and the Phase IV Land will be subdivided into twenty-six (26) Residential Units. Upon the annexation of such land to the Property, each tract so annexed, and the Condominiums within said tract, shall thereafter be subject to the protective covenants, conditions, restrictions, reservations, assessments, liens, easements, privileges, rights and charges as set forth in this Declaration, and shall be held, sold, conveyed and owned subject to this Declaration, which shall be binding on all persons having or acquiring any right, title or interest in a Condominium of such tract in the same manner as if such tract had been a part of the Property at the time of the original recordation of this Declaration. In order to accomplish these objectives, the Declarant hereby reserves the right unto itself and its successors and assigns who are specifically delegated the rights of the "declarant" in the deed of conveyance of title to the Phase II Land, the Phase III Land and/or the Phase IV Land, to put the annexation provisions of this Declaration into effect by the recordation of one or more Annexation Notices as provided below, and to thereby annex one or all tracts of the Phase II Land, the Phase III Land and/or the Phase IV Land to the Property, provided all annexation occurs within seven (7) years of the date of the original recordation of this Declaration, failing which Declarant's right to put such annexation into effect shall cease.

17.8 Order of Annexation. The Phase II Land, Phase III Land and Phase IV Land shall be annexed in chronological order.

17.9 Annexation Notice. To annex any of the Phase II Land, the Phase III Land or the Phase IV Land to the Property, Declarant shall execute and record an Annexation Notice in the office of the County Clerk of Tulsa County, Oklahoma. The Annexation Notice need be signed only by the Declarant. The Annexation Notice shall contain a reference to this Declaration incorporating the terms and conditions hereof therein, and the effect of such recordation shall be to submit the annexed tract and its improvements to the terms and conditions of this Declaration and to the Act. In the event that building locations or floor plans are modified within the Phase II, Phase III or Phase IV Land, then Exhibit "A" to this Declaration may be amended by the Annexation Notice to reflect such modifications. Upon recordation of an Annexation Notice, the tract so annexed shall constitute a part of the Property, for all purposes and intents of this Declaration, including the applicability of the Ownership Interests to its Common Elements.

17.10 Substituted Ownership Interests. The Ownership Interests listed in table "Phase I" on Exhibit "B" shall be effective until the annexation of the Phase II Land; the Ownership Interests listed in table "Phase II" on Exhibit "B" shall be effective upon the recordation of the Annexation Notice for the Phase II Land; the Ownership Interests listed in table "Phase III" on Exhibit "B" shall be effective upon the recordation of the Annexation Notice for both the Phase II Land and the Phase III Land; and the Ownership Interests listed in table "Phase IV" on Exhibit "B" shall be effective upon the recordation of the Annexation Notice for all of Phase II Land, Phase III Land and Phase IV Land. Each Condominium Owner who owns a Condominium at the time of the recordation of any Annexation Notice, as described in this Article XVII, by the acceptance of the delivery of such Condominium Owner's deed for his respective Condominium, and by the recordation thereof, or by such Condominium Owner's payment of any regular or special assessment against his respective Condominium, thereby shall be deemed to have consented, accepted, adopted, ratified and agreed to the proposed amendment, modification and change of the Ownership Interests of his Condominium from time to time as expressly provided by this Article XVII and as set forth in the tables of Exhibit "B."

ARTICLE XVIII

TERMINATION OF UNIT OWNERSHIP ESTATES

18.1 Obsolete Property. Ninety percent (90%) of the Condominium Owners, computed on the basis set forth in Section 1.1(m) hereof, may agree that the Property is obsolete, in whole or in part, and whether or not the same shall be renewed and restored or the Property sold and the proceeds of sale distributed; provided that, in either such event, the consent of the holders of first mortgages on Condominiums which have at least sixty-seven percent (67%) of the Ownership Interests must first be obtained. If such agreement and consent provides for the renewal or restoration of the Property, then the expense thereof shall be payable by all the Unit Owners as a Common Expense. However, if such agreement and consent provides for the Property to be sold, then the Property shall be subject to partition at the suit of any Condominium Owner, in which event the proceeds of sale shall be divided among all Condominium Owners according to their Ownership Interests after first applying such shares to the payment of all liens on the respective Condominium of each Condominium Owner. Lessees shall not be entitled to any such proceeds of sale.

18.2 Repair of Damage Due to Casualty. Except as hereinafter provided, damage to or destruction of the Building or Common Elements due to casualty shall be promptly repaired and restored by the Association, using the proceeds of insurance on the Building for that purpose. If there is substantial total destruction of the Property, or if seventy-five percent (75%) of the Condominium Owners

computed on the basis set forth in Article I hereof, and the institutional holders of first mortgages on Condominiums which have at least sixty-seven percent (67%) of the Ownership Interests agree not to proceed with repair or restoration, then the Property shall be subject to partition at the suit of any Condominium Owner. In such event the net proceeds of sale, together with the net proceeds of insurance, shall be divided among the Condominium Owners according to their Ownership Interests, after first applying such sums to the payment of all liens on the respective Condominium of each Condominium Owner. The Lessees shall not be entitled to any such proceeds of sale of insurance.

18.3 Repair of Damage Due to Eminent Domain. Except as hereinafter provided, in the event of any partial or total taking of the Property or of a Condominium by eminent domain, the Association shall promptly repair and restore all Common Elements of the Property using the compensation payable to the Condominium Owner. That portion of the compensation payable to a Condominium Owner and attributable to the damage or destruction of the Common Elements shall be identified in any settlement of such taking and the Condominium Owner shall be entitled to litigate the issue of damage allocatable to the Common Elements. The portion of any award of such damages to a Condominium Owner not so allocated to damages to the Common Elements shall then be applied to the payments of all liens on the respective Condominiums prior to the payment of any portion thereof to the Condominium Owner. Condominium Owners may be assessed for any deficiency necessary to pay the cost of the repair or restoration of Common Elements.

18.4 Application of Proceeds of Insurance or Condemnation. The award or proceeds of settlement arising from a partial condemnation or damage due to an insurable hazard, shall be payable to the Association, or any trustee nominated by the Association, for the use and benefit of the Unit Owners and their mortgagees as their interests may appear.

18.5 Notice and Termination. Any restoration or repair of the project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with this Declaration and the original plans and specifications, unless other action is approved by institutional holders of first mortgages on Condominiums which have at least fifty-one percent (51%) of the Ownership Interests subject to first mortgages.

18.6 Power of Attorney; Appointment of Trustee. Each Condominium Owner, upon acceptance or acquisition of title to such Condominium, thereby irrevocably constitutes and appoints the Association his true and lawful attorney-in-fact to represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements, or parts thereof. Commissioned with such power of attorney, the Association, in its sole discretion,

may appoint a trustee to act on behalf of the Unit Owners in carrying out the above functions, in lieu of the Association.

ARTICLE XIX
AMENDMENT OF DECLARATION

19.1 Amendment. The consent of Unit Owners holding at least seventy-five percent (75%) of the Ownership Interests and the approval of institutional holders of first mortgages on Unit Estates which have at least fifty-one percent (51%) of the Ownership Interests of Condominiums subject to first mortgages, shall be required to modify or amend any material provision of this Declaration, which establish, provide for, govern or regulate any of the following;

- a. Voting;
- b. Assessments, assessment liens or subordination of such liens;
- c. Reserves for maintenance, repair and replacement of the Common Elements (or Units if applicable);
- d. Insurance or Fidelity Bonds;
- e. Rights to use of the Common Elements;
- f. Responsibility for maintenance and repair of the several portions of the project;
- g. Expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project;
- h. Boundaries of any Unit;
- i. The interests in the General or Limited Common Elements;
- j. Convertibility of Units into Common Elements or of Common Elements into Units;
- k. Leasing of Unit Estates;
- l. Imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit Estate;
- m. Any provisions which are for the express benefit of mortgage holders, institutional holders or insurers or guarantors of first mortgages on Unit Estates.

The public may rely on the affidavit of the President of the Association, duly recorded, for purposes of determining whether the persons consenting to such a modification or amendment are, in fact, Owners or Mortgagees.

19.2 Notice to Mortgagees. An institutional holder of a first mortgage who receives a written request to approve modifications or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such requests.

19.3 Notice of Action. Upon written request to the Association identifying the name and address of the requesting party and the Condominium number and address, any institutional holder of a first

mortgage, or insurer or guarantor thereof, will be entitled to timely written notice of any proposed action which would require the consent of the specified percentage of institutional first mortgage holders as set out in Section 19.1 above.

19.4 Separability of Provisions. Invalidation of any one or more of these restrictions, reservations, covenants, conditions and easements or any provision contained in this Declaration or in a conveyance of a Condominium by the Declarant by judgment, court order or law, shall not affect any of the other provisions which shall remain in full force and effect.

19.5 Perpetuities. In the event any court should hereafter determine that any provision, as originally drafted herein, violates the rule against perpetuities or any other rule of law because of the duration of the period involved, the period specified in this Declaration shall not thereby become invalid, but instead, shall be reduced to the maximum period allowed under such rule of law, and for such purpose, the measuring life shall be that of the youngest incorporator of the Association.

19.6 Binding Effect. These restrictions, reservations, covenants, conditions and easements shall be binding upon and inure to the benefit of all Condominium Owners and their grantees, heirs, devisees, personal representatives, successors and assigns, and all parties claiming by, through or under them.

ARTICLE XX
GENERAL PROVISIONS

20.1 No Waiver. The failure of the Association, a Condominium Owner or a mortgagee to enforce any right, provision, covenant, or condition which may be granted herein, or in the By-Laws and Articles of Incorporation of the Association, or the failure to insist upon the compliance with same, shall not constitute a waiver by the Association, such Condominium Owner or mortgagee, to enforce such right, provision, covenant, or condition, or insist upon the compliance with same in the future.

20.2 Validity of Liens and Mortgages Not Affected. No breach of any of the provisions contained herein shall defeat or adversely affect the lien of any mortgage at any time made in good faith and for a valuable consideration upon said Property, or any part thereof, and made by a bank, savings and loan association, or insurance company authorized to transact business in the State of Oklahoma and engaged in the business of making loans constituting a first lien upon real property. The rights and remedies herein granted to the Declarant, the Association, and the Owner or Owners of any part of the Condominiums may be enforced against the Owner of the portion of said Property subject to such mortgage, notwithstanding such mortgage. The purchaser at any sale upon foreclosure shall be bound by all of the provisions herein contained.

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20.3 Liberal Construction. The provisions of the Declaration shall be liberally construed to effectuate its purposes. The invalidity of any provision herein shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration.

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

20.5 Gender. The use of the masculine gender in this Declaration shall be deemed to refer to the feminine or neuter gender, and the use of the singular or plural shall be taken to mean the other whenever the context may require.

20.6 Service of Process. The person who shall receive service for any lawsuits in which the Association may become involved is the same person who is similarly designated as the Service Agent for the Association in the Articles of Incorporation of the Association.

20.7 Effect of Declaration. The provisions of this Declaration shall be applicable, effective and binding upon Recordation.

20.8 Ratification of the Declaration. By the acceptance of the delivery of the deed and the Recordation hereof, or by the payment of the assessments against his respective Condominium, each Condominium Owner thereby shall be deemed to have accepted, adopted, ratified and agreed to the terms, covenants, conditions, and restrictions contained herein and to the rules and regulations, of the Association, including without limitation, the provisions hereof relating to the payment of liquidated damages and the payment of fines or fees levied by the Association for the violations of same. Further, each tenant or lessee of a Condominium, by the occupancy of such Condominium and the payment of rentals thereon, shall be deemed to have accepted, adopted, ratified and agreed to the terms, covenants, conditions and restrictions contained herein and to the rules and regulations, of the Association as above stated regarding Condominium Owners.

IN WITNESS WHEREOF, the Declarant binds itself and its successors and assigns and has caused these presents to be executed.

DATED this 20th of May, 1982.

CONSOLIDATED PROPERTY VENTURES
an Oklahoma general partnership.

By: [Signature]
a general partner

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

Before me, the undersigned, a Notary Public in and said County and State, on this 20th day of May, 1982, personally appeared Richard W. Riddle, a general partner of Consolidated Property Ventures, an Oklahoma general partnership, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument 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 the partnership, for the uses and purposes therein set forth.

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

Judy Ann Anderson
Notary Public



My Commission Expires:
January 3, 1983

STATE OF OKLAHOMA
TULSA COUNTY
FILED & RECORDED
1982 MAY 20 AM 11:35
ARLITA RESQUIT
COUNTY CLERK



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