

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
HAWTHORNE PLACE ADDITION SECTION ONE,
AS AMENDED

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Jordan Building Co., Inc., hereafter referred to as the “Declarant”, is the owner of certain land and improvements in Cleveland County, Oklahoma, which property is more fully described on the attached Exhibit “A”, incorporated herein and made a part hereof for all purposes; and

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

NOW, THEREFORE, Declarant does hereby publish and declare that the land and its improvements are hereby subjected to the conditions, covenants, and restrictions herein set forth to be established upon the recording hereof, in accordance with and subject to the provisions of the Oklahoma Real Estate Development Act, and that the covenants, conditions, restrictions, use limitations, obligations, and provisions hereof shall be deemed to run with the land described on Exhibit “A” and shall be for the use and benefit to the Declarant, its successors and assigns, and to any person or entity acquiring or owning an interest in the land and improvements, or any person thereof, their grantees, successors, heirs, personal representatives, devisees and assigns.

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

1.1 **“Association”** means the Hawthorne Place Owners’ Association, Inc., an Oklahoma corporation, its successors and assigns, the By-Laws of which shall govern the administration of this Real Estate Development, the members of which shall be all of the owners of the Lots in Hawthorne Place Addition, Section One.

1.2 **“Building”** means one or more of the building improvements lying within the real estate described on Exhibit “A”.

1.3 **“Common Elements”** means all portions of the Real Estate Development other than the Lots and other than publicly dedicated real property, and includes, but is not limited to, Open Space Lot A and Lots Thirteen (13) and Fourteen (14), Block One (1), the screening fence and the area between the screening fence and Porter Avenue.

1.4 **“Common Expenses”** means and includes expenses for maintenance, replacement, repair, operation, improvements, management and administration, and expenses declared common

expenses by the provisions of this Declaration and the By-Laws of the Association.

1.5 “Declarant” shall mean and refer to Jordan Building Co., Inc. and its successors and assigns.

1.6 “Lot” means a portion of the Real Estate Development designated for separate ownership, the boundaries of which are the lot lines as shown on the recorded plan of the real estate described on Exhibit “A”.

1.7 “Owner” means a person or persons, firm, corporation, partnership, trust, association or other legal entity, or any combination thereof, who owns one or more Lots.

1.8 “Person” means a natural person, corporation, partnership, association, trust, other entity, or any combination thereof.

1.9 “Real Estate Development” means the real estate described at Exhibit “A”, as provided for at 60 O.S. Section 851, as amended.

1.10 “Rules” shall mean the Rules and Regulations adopted by the Association as amended from time to time.

1.11 “Visible From Neighboring Property” shall mean, with respect to any given object, that such object is or would be visible to a person six feet tall, standing on any part of each neighboring property at an elevation of not greater than the elevation of the base of the object being viewed.

2. **Property Rights.**

2.1 Owner’s Nonexclusive Easement of Enjoyment: Limitations

Every Owner and his immediate family shall have a nonexclusive right and easement of enjoyment in and to the Common Elements, which shall be appurtenant to and shall pass with the title to the Lot of such Owner, subject to the following rights.

2.1.1 Association Rights to Use and to Grant Easements. The nonexclusive right and easement of the Association to make such use of the Real Estate Development as may be necessary or appropriate for the performance of the duties and functions which it is obligated or permitted to perform under this Declaration. The Association, in its sole discretion, may from time to time grant easements and rights-of-way on, across, under and over the Common Elements to any municipal corporation or public utility company, or other entity providing water, sewer, gas, electricity, telephone cable television, or other similar service to the Real Estate Development.

2.1.2 Association Right to Make Rules. The right of the Association to make such reasonable rules regarding the use of the Common Elements and facilities located thereon by members and other persons entitled to such use.

2.1.3 Borrow Money. The right of the Association, in accordance with its By-Laws for the

purpose of improving the Common Elements and, in aid thereof, to mortgage said Common Elements.

2.1.4 Protect Property. The right of the Association to take such steps as are reasonably necessary to protect the above-described Properties against foreclosure, and,

2.1.5 Other Reserved Rights. The rights reserved in the Declaration to Declarant (for, among other things, Common Element improvements), Owners, other persons and the Association.

2.2 Delegation of Use: Nonresident Owner. Any Owner may delegate his right of enjoyment of the Common Elements to the members of his family, to his tenants, to guests or to contract purchasers who may reside on the Lot. All such persons shall be subject to these covenants concerning such use. Any Owner not residing on his Lot may not have a right of enjoyment of any Common Elements except as provided otherwise by these covenants.

3. Easements.

3.1 Blanket Easements for Utilities or Police, Fire, Etc., for Maintenance and Repair to Common Elements. There is hereby created a blanket easement in, on, through, upon, across, over and under all of the Common Elements for ingress and egress, installation, replacement, repair and maintenance of all Common Element improvements and all utilities, including, but not limited to, water, sewer, gas, telephones and electricity. By virtue of this easement, it shall be expressly permissible for the electrical and/or telephone company providing service to erect and maintain the necessary poles, underground lines, and other necessary equipment on said Common Elements and to affix and maintain electrical and/or telephone wires, circuits, and conduits on, above, across and under the roof and exterior walls of the buildings, if any, upon the common Elements. An easement is further granted to all police, fire protection and ambulance personnel, and all similar persons to enter upon the Common Elements in the performance of their duties. Further, an easement is hereby granted to the Declarant and to the Association to enter in, onto, above, across or under the Common Elements and any Lot to perform the duties of improvement, maintenance and repair to the Common Elements. Notwithstanding anything contrary contained in this paragraph, no sewers, electrical lines, or other utilities may be installed or relocated on said Common Elements except as approved by Declarant or the Association. Should any utility furnishing a service covered by the general easement herein provided request a specific easement, Declarant or the Association may grant such an easement to the Common Elements by a separate recorded instrument without conflicting with the terms hereof and without consent of the Owners being required. The easements provided for in this paragraph shall in no way affect any other recorded easement to said Common Elements.

4. Use and Occupancy. After the initial sale or transfer of a lot or Lots by Declarant, all such Lots shall thereafter be used and occupied only for single family residence purposes by the Owner, by the Owner's family, the Owner's tenants or the Owner's guests.

4.1 Declarant Business Office: Model Lots. Declarant and its employees, representatives, and agents may maintain a business and sales office, model homes, and other sales facilities necessary or required until all of the Lots are sold.

4.2 Office or Noxious Use. The Owner of any Lot shall not use or allow the use of such Lot for any purpose which will be noxious, offensive or detrimental to the use of the other Lots 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.

4.3 Mineral Drilling. Except for Declarant, and then only with the permission of the City of Norman, no drilling or puncturing of the surface for oil, gas or other minerals or hydrocarbons within the Real Estate Development shall be permitted.

4.4 Livestock. The keeping of any poultry, cattle, horses or other livestock of any kind or character is prohibited within the Real Estate Development.

4.5 Refuse Storage: Growth. This storage of trash, ashes, or other refuse, except in normal receptacles, is prohibited. Further, no trash, garbage cans or receptacles of any kind shall be left in sight, except on days so designated by the City of Norman for collection thereof. Weeds, underbrush or other unsightly growths shall not be permitted to grow or remain on Common Elements. No trash, ashes or other refuse may be thrown in any other Owner's Lot or in or on Common Elements.

4.6 Signs and Billboards: Declarant's Right. No signs or billboards exceeding six (6) square feet in area shall be permitted on any Lot or Common Element without the prior written consent of the Association; however, this prohibition shall not apply to the Declarant in the initial sale of such Lot.

4.7 Vehicle Parking and Storage. Except where adequate screening has been previously provided and an Owner has received prior written approval from the Architectural Control Committee (hereafter defined), no campers, recreational vehicles, boats, motor homes or large commercial vehicles, nor any vehicle in the process of being repaired or otherwise presently inoperable, shall be stored or parked, a) in front of the front building line, b) on Common Elements, or c) on the publicly dedicated streets with the Real Estate Development; no vehicle shall park on publicly dedicated streets for more than 48 hours, and parking shall be allowed only in designated parking areas, the operation and parking of all vehicles on the Real Estate Development are subject to the By-Laws, and the rules and regulations of the Association.

4.8 View From Common Elements or Lot. All garbage cans, equipment, or storage piles shall be located so as not to be Visible From Neighboring Property.

4.9 Tanks. No elevated tanks of any kind shall be erected, placed or permitted on any Lot or Common Elements.

4.10 Radio or Television Transmitting Device: Wind-Powered Generators. No radio or television transmitting or receiving device which extends five (5) feet above the peak of a roof shall be allowed. Further, no wind-powered generators shall be erected or maintained unless approved in writing by the Architectural Control Committee.

4.11 Waste. No waste shall be committed on the Common Elements.

4.12 Temporary Structure. No outbuilding, storage shed, trailer, tent or shack shall be erected, placed or permitted, nor shall any structure of a temporary character be used at any time as a residence without the prior written consent of the Architectural Control Committee.

4.13 Nuisance Activity. No noxious or offensive activity shall be carried on within the Real Estate Development, nor shall anything be done therein which may be or may become an annoyance or nuisance.

4.14 Improvements and Alterations: Plans and Specifications. No dwelling, building, wall, storage shed, cabana, greenhouse, playhouse, pergola, or other improvement or structure shall be commenced, erected or placed upon the Real Estate Development until the complete plans and specifications showing the precise and exact nature, kind, shape, height, set-back, materials, color and location of such improvements 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 Real Estate Development by the Architectural Control Committee ("ACC") as more fully described below. Alterations to improvements after the residence is occupied (as distinguished from approval of new construction) must be approved by the 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 initial Architectural Control Committee shall be composed of Tom Jordan, Mike Castleberry and Marie S. Jordan. The affirmative vote of a majority of the members of ACC (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.

4.14.1 Improvements: Plans and Specifications Approval. No dwelling, building, wall, storage shed, cabana, greenhouse, playhouse, pergola, or other improvements or structure shall be commenced, erected, or placed upon the Real Estate Development 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 by the Architectural Control Committee as to the harmony of external design, color and location in relation to surrounding structures and topography and conformity with the design concept for the Real Estate Development.

The following guidelines, unless hereafter amended by ACC or waived in writing by ACC, shall be adhered to by ACC.

4.14.1.1 Dwellings may be one story, one and one-half story, split level, or two stories in height. Eaves, steps and open porches shall be considered a part of the dwelling; provided, however, that this shall not be construed to permit any portion of a dwelling on a Lot to encroach upon another Lot.

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

4.14.1.3 The single-family residence constructed on all Lots in the Real Estate Development shall contain a minimum of 1,600 square feet of floor space. In computing the square footage of floor space of a residence, the basement, open porches, and garages shall be excluded. In case of a one and one-half story or a two-story structure, the ground floor shall in no event be less than 960 square feet.

4.14.1.4 No building, or any part thereof, shall be located nearer to the front lot line or side street lot line than the building set-back lines shown on the recorded plat. The side lot limit line of a one-story structure, each side of the main structure, shall be a minimum of five feet (5'), and a minimum of eight feet (8') for a two-story structure. If one structure is placed on two Lots, then only the distance from the outside boundary lines apply.

4.14.1.5 Pier and grade beam foundations are permitted but only if concrete portions showing to the front and open side (if corner lot) are fully covered with brick or rock or other permanent material acceptable to the ACC.

4.14.1.6 No fence, garage or enclosure of any type or nature whatsoever shall be constructed, erected, placed, or maintained forward of the front building limit or setback line on each Lot, as same is shown on the recorded plat thereof; however, it is not the intention of this paragraph to exclude the use of evergreens or other shrubbery to landscape front yards. No double fencing is allowed. If there is an existing fence that abuts a lot, the fences must join. If brick columns are used, they must match the house. Cyclone and other metal fencing is prohibited except within the Common Elements. All mail boxes shall be encased in brick or rock to match the house.

4.14.1.7 Basketball backboards may be erected at the residences in the Real Estate Development. Each backboard must have a free-standing structure supporting it and may not be attached to a house. The supporting structure must be constructed from rust resistant steel and maintained at all times, i.e., supporting structure to be kept completely painted and free of dirt and any markings giving it an unsightly appearance. The backboard must be constructed from a plastic and/or fiberglass material and must be kept clean and free of any marking which gives it an unsightly appearance. A backboard which is cracked must be removed or replaced immediately. The net must be free of all rips and tears and shall be replaced whenever it becomes unsightly. The rim must be kept painted and free of dirt and any markings which give it an unsightly appearance. The rim must be kept perpendicular to the backboard in a standard basketball installation. No offensive activity is permitted which results from use of the basketball backboard.

4.14.1.8 No dwelling shall be constructed on any Lot unless it has an attached garage with a capacity sufficient for at least two (2) cars.

4.14.1.9 The outside wall structure of the ground floor living area of any dwelling shall be at least seventy-five percent (75%) brick, stone or masonry veneer. Any stone above the eight-foot plate shall count towards the minimum.

4.14.1.10 No building shall be erected on any Lot unless it shall have a 20-year warranty laminated shingle similar to, but no limited to, Elk Prestige Plus or Timberline Ultra Series. However, this restriction shall not prevent the submission of specification and plans for other types of roof covering (except wood) to ACC for written approval of said deviation. In this event approval is granted, in writing, by ACC, the type of roof covering so approved may be used.

4.14.1.11 No building of any nature shall be permitted in the easements reserved for utilities, and there shall be no retaining wall permitted in easements unless approved by the ACC.

4.14.1.12 No outdoor clotheslines shall be allowed.

4.14.1.13 Every outbuilding erected on any Lot shall correspond in style and architecture to that which it is appurtenant, and shall be approved in writing by the Architectural Control Committee. The type of roof will be the same as the residence on the Lot.

4.14.1.14 No skateboard ramps may be constructed in any yard or Common Element.

4.14.2 Approval, Copy of Plans and Specifications Deposited: Lapse of Time Paramount to Approval. Upon approval by the ACC of any plans and specifications submitted pursuant to the provisions of these covenants, 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 ACC fails to approve or disapprove any plans and specifications which may be submitted to it within sixty (60) days after submission, then approval will not be required, and this paragraph 4.14 shall be deemed to have been fully complied with.

4.14.3 Construction: Limitations: Deviations from Plans and Specifications. Construction in accordance with plans and specifications approved by ACC pursuant to the provisions of this paragraph 4.14 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 paragraph 4.14.2), and shall be substantially completed within twelve (12) months following the date of commencement, or with 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 paragraph 4.14 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 Lot 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 Lot or Lots.

4.14.4 Rules and Regulations of Architectural Control Committee. ACC 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 paragraph 4.14 or any other provision or requirement of the Declaration. 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 paragraph. 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 ACC.

4.14.5 Enforcement: Right to Correct Violations. In the event any dwelling, building, fence, wall or other improvement or structure shall be commenced, erected, or placed upon any Lot otherwise than in accordance with the provisions and requirements of this paragraph 4.14, then the same shall be considered to have been undertaken in violation of this paragraph 4.14 and without the approval of the Architectural Control Committee required herein. Upon written notice from the Architectural Control Committee, such dwelling, 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 Lot upon which such violation exists, then the Association shall have the right, through its agents and employees, to enter upon such Lot 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 Lot upon which such violation occurred. A statement for the amount thereof shall be rendered to the Owner of said Lot, at which time the assessment shall become due and payable and a continuing lien upon said Lot and an obligation of the Owner, and may be enforced as provided herein. The Association shall have the further right, thorough its agents, employees or committees, to enter upon and inspect any Lot at any reasonable daylight hour for the purpose of ascertaining whether any violation of the provisions of this paragraph 4.14 or any of the other provisions or requirements herein, exist on such Lot; however, no such entry and inspection shall be taken without a resolution of ACC or the Board of Directors, and after reasonable notice to the Owner of such Lot. 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.

4.15 Household Pets: Care and Restraint: Limit on Number: Indemnification by Owners. No animal shall be kept within the Real Estate Development except household pets. Such pets may not be kept or bred for any commercial purpose and shall have such care and restraint as not

to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No more than three (3) household pets may be kept without written permission of the Association. No pets may be permitted to run loose within the Real Estate Development, and any Owner who causes any animal to be brought or kept within the Real Estate Development 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.

4.16 Covenants Applicable to Common Elements. The Common Elements are available to, and restricted to, members of the Association and accompanied guests (and Declarant, for Common Element improvements). All litter must be placed in litter receptacles. No vehicular parking shall be allowed. No skateboards, boats, motorcycles, all-terrain vehicles, dune buggies, treehouses, tents or forts shall be allowed on the Common Elements.

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

6. Administration and Management: Mandatory Membership. The administration and management of the Real Estate Development shall be governed by these Covenants, Conditions and Restrictions and by the By-Laws of the Association. An Owner of a Lot, upon becoming an Owner, shall mandatorily become a member of the Association and shall remain a member for the period of his ownership. The Association shall be governed by a Board of Directors as is provided in the By-Laws of the Association. The Association may employ agents, servants and employees and any person or firm to act as Managing Agent at any agreed compensation.

7. Records: Inspection by Owners and Mortgagees.

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

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

9. **Association's Maintenance, Operation, Repair and Alterations Responsibility.** Except as provided in paragraph 8 herein, the Association shall be responsible only for the maintenance, operation and repair of the Common Elements.

10. **Compliance with Provisions of Declaration, By-Laws and Rules and Regulations.** Each Owner shall comply strictly with the provisions of this Declaration, the By-Laws of the Association and the rules, regulations, decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure and refusal after written notice to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, and for reimbursement of all attorney's fees incurred in connection therewith and interest on all such amounts at the highest lawful rate, which action shall be maintainable by the Managing Agent or Board of Directors in the name of the Association on behalf of the Owners or, in a proper case, by an aggrieved Owner.

11. **Voting Rights in the Association.** Voting in the Association shall be on a per Lot basis. The Declarant shall have four (4) votes for each Lot owned by it, developed or not. All other Owners shall have one (1) vote per Lot. This weighted voting shall cease on the happening of one of the following events, whichever first occurs:

- (a) At the completion of the calendar year when the total votes outstanding in the Owners equals the total votes outstanding in the Declarant;
- (b) Or on January 1, 2015;
- (c) Or earlier if, in its discretion, the Declarant so determines.

From and after the happening of these events, whichever occurs earlier, both Owners and Declarant shall be entitled to one (1) vote for each Lot in which it, he or she holds the interest required for membership. [Amended 4/8/96]

12. **Revocation or Amendment to Declaration: Amendment of Undivided Interest in Common Elements.** This Declaration shall not be revoked unless all of the Owners 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 Lots consent and agree to such amendment by instrument(s) duly recorded. However, Declarant may amend this Declaration at any time, subject to limitations set forth in paragraph 24.10 below.

13. **Assessment for Common Expenses.**

13.1 **Obligation to Pay Pro-rata Share.** All Owners of Lots shall be obligated to equally pay the assessments, either estimated or actual, imposed by the Board of Directors of the Association to meet the Common Expenses.

13.2 **Assessment Due Date.** Beginning with the conveyance of each Lot from the Builder to any Owner (but in no event earlier than the sale of a minimum of 68 lots from this addition and any future additions to any Owner; that is, not until the Association has 68 members who are

Owners), assessments for the estimated Common Expenses shall be due yearly in advance on the first day of January unless another date is specified by written notice from the Board of Directors. In the event the ownership of a Lot commences on a day other than the first day of a month, the assessment for that month shall be prorated. [Amended 4/8/96]

13.3 Basis and Maximum of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be at follows:

<u>Type of Member</u>	<u>Amount</u>
Owner	\$75.00 per year per Lot
Declarant	\$20.00 per year per Lot

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

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

(c) After consideration of current maintenance costs and future needs of the Association, the Board of Directors of the Association may fix the annual assessment at an amount not in excess of the maximum. [Amended 4/8/96]

13.4 Special Assessments for Capital Improvements: Majority Assent: In addition to the annual assessments hereof, the Board of Directors may levy in any assessment year a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected cost, repair, or replacement of a described capital improvement, including the necessary fixtures and personal property related thereto.

13.5 Basis of Common Expenses: Increases. The assessments made for Common Expenses shall be based upon estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations and improvement responsibilities of the Association. In the event the cash requirement for Common Expenses exceeds the aggregate assessments made pursuant to this paragraph, the Board of Directors for the Association may from time to time and at any time increase, pro rata, the yearly assessments set forth in this paragraph.

13.6 Benefit of Assessment or Association Earning. No part of the assessments or net earnings of the Association shall inure to the benefit of any Lot Owner or individual, except to the extent that Lot Owners receive the benefits from the maintenance, repair, operations, addition, alterations and improvement responsibilities of the Association.

14. **Owner's Personal Obligation for Payment of Assessments.**

14.1 Non-Exemption From Payment: Board Responsibility to Collect: Interest, Costs, and Attorney Fees: Suit: Notice to Mortgagee. The amount of Common Expenses assessed against each Lot shall be the personal and individual debt of the Owner thereof. 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 Lot. The Board of Directors shall have the responsibility to take prompt action to collect any unpaid assessment which remains unpaid more than fifteen (15) days from the due date for payment thereof. In the event of a default by an Owner in the payment of the assessment, such Owner shall be obligated to pay interest at the rate of fifteen percent (15%), or such higher rate (provided the same shall not be usurious) as the Board of Directors may from time to time determine, per annum the amount of the assessment from due date thereof, together with all expenses, including attorney's fees incurred to collect such assessment together with late charges as proved by the By-Laws of the Association. Suit to recover a money judgment for unpaid Common Expenses may be instigated in Cleveland County, Oklahoma, and may be maintainable without foreclosing or waiving the lien securing same. Additionally, in the event that the mortgage on a Lot should so provide, a default in the payment of an assessment shall be a default in such mortgage, and if required by the mortgagee by written notice to the Association, the Board of Directors shall give notice of any default in payment of an assessment to the mortgagee.

14.2 Unsold Lot Assessments. Declarant shall not be responsible for payment of assessments for any Lots in which title is held by Declarant.

14.3 Reserves and Working Capital. The Association shall establish and maintain an adequate reserve fund for the periodic maintenance, repair and replacement of improvements to the Common Elements which the Association may be obligated to maintain. The fund shall be maintained out of regular assessments for Common Expenses.

15. **Assessment Lien: Priority: Notice of Lien: Recording: Enforcement: Receiver: Mortgagee May Pay Assessment.** All sums assessed but unpaid for the share of Common Expenses chargeable to any lot, including any fees, late charges, fines or interest, shall constitute a lien on such Lot prior to all other liens except the following: (1) assessments, liens and charges for taxes past due and unpaid on the Lot, (2) judgments entered in a Court of record prior to the date of Common Expense assessment, (3) mortgage instruments of encumbrance duly recorded prior to the date of such assessment, (4) mechanic's and materialmen's liens arising from labor performed or material furnished upon a Lot 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 Lot 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. To evidence such

lien, the Board of Directors shall prepare a written notice of assessment lien setting forth the amount of such unpaid indebtedness, the name of the Owner of the Lot and a description of the Lot. Such a notice shall be signed by one of the Board of Directors or by one of the officers of the Association, 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. Such lien may be enforced by the foreclosure of the defaulting Owner's Lot subsequent to the recording of a notice or claim thereof by the Association in like manner as a mortgage on real property. In any such proceedings, the Owner shall be required to pay the costs, expenses and attorney's fees incurred. The Owner of the Lot being foreclosed shall be required to pay to the Association the yearly assessment for the Lot during the period of foreclosure, and the Association shall be entitled to the appointment of a receiver to collect the same. The Association shall have the power to purchase a Lot at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. Any mortgagee holding a lien on a Lot may pay, but shall not be required to pay, any unpaid Common Expenses payable with respect to such Lot, and such payment shall not be deemed a waiver by the Association of default by the Lot Owner.

16. **Assessments Collectible Upon Sale.** Upon the sale or conveyance of a Lot, all unpaid assessments against the seller-Owner for his pro rata share of the Common Expenses, including interest, 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 the following:

16.1 Assessments, liens and charges for taxes past due and unpaid on the Lot;

16.2 Judgments, liens and charges for taxes past due and unpaid on the Lot;

16.3 Mortgage instruments of encumbrance duly recorded prior to the date of such assessments;

16.4 Mechanic's and materialmen's liens arising from labor performed or material furnished upon a Lot prior to the date of such assessment; and 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 Lot Owners which constitute a part of an assessable charge for Common Expenses, the satisfaction of which shall discharge the assessment to the extent of the payment made.

In a voluntary conveyance of a Lot, the grantee of the Lot shall be jointly and severally liable with the grantor of all unpaid assessments by the Association against the latter for his share of the Common Expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantee shall be entitled to a statement from the manager or Board of Directors of the Association, as the case may be, setting forth the amount of the unpaid assessments against the grantor due the Association, and such grantee shall not be liable for, nor shall the Lot conveyed be subject to a lien for, any unpaid assessments made by the Association against the grantor in

excess of the amount therein set forth.

17. **Mortgaging a Lot Priority: Mortgage Subject to Declaration: Mortgagee in Title: Unpaid Assessment.** An Owner shall have the right from time to time to mortgage or encumber his Lot and the interests appurtenant thereto by deed of trust, mortgage or other instrument, but the lien created thereby shall be subject to the terms and provisions of this Declaration, and any mortgagee or other lien holder who acquires a Lot through judicial foreclosure, public sale or other means shall be subject to the terms and conditions of this Declaration except as specifically excepted herefrom. Where the holder of a first mortgage of record or other purchaser obtains title to the Lot as a result of foreclosure of the first mortgage or deed in lieu of foreclosure, such acquirer of title shall not be liable for the share of the Common Expenses or assessments chargeable to such Lot which became due prior to acquisition of title to such Lot by such acquirer. Such unpaid share of Common Expenses or assessments shall be deemed to be Common Expenses collectible from the Owners of all of the Lots, including such acquirer, his successors and assigns.

18. **Insurance.**

18.1 **Master Policy: General Liability.** The Association shall carry a blanket insurance policy in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost) from an insurance company qualified to do and conduct business in the State of Oklahoma and holding a rating of Best's Insurance Reports of Class XV or better (the limits of coverage of which insurance shall be reviewed annually by the Board of Directors), of fire, lightning, extended coverage, vandalism and malicious mischief, all risk, agreed amount and inflation guard endorsement and replacement cost covering the Common Elements (except land, foundation, excavation and other items normally excluded from coverage), including fixtures and building service equipment to the extent they are part of the Common Elements, as well as common personal property and supplies, and, if required by law, workmen's compensation insurance (all of which hereinafter referred to as the "Master Policy"), with respect to the Real Estate Development and the Association's administration thereof in accordance with the following. The name of the "insured must be stated in form and substance similar to the following: Hawthorne Place Owners' Association, Inc. for use and benefit of the individual owners." Such policy must contain the standard mortgagee clause (without contribution) which must be endorsed to provide that any proceeds shall be paid Hawthorne Place Owners' Association, Inc. for the use and benefit of mortgagees, their successors and assigns, as their interest may appear.

The Board of Directors shall also obtain and maintain, to the extent obtainable, comprehensive general liability insurance in such limits as may from time to time be determined necessary covering all of the Common Elements in the Real Estate Development. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Lot Owner because of negligent acts of the Association or other Lot Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use. Coverage shall be for at least One Million Dollars (\$1,000,000.00) per occurrence, for personal injury, including death of persons, and/or property damage. The Association shall use

its best efforts to see that the liability insurance carried by the Association shall contain appropriate provisions to cover liability of the Owners, individually and as a group, to another Owner. Such policies must provide that they may not be canceled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each holder of a first mortgage which notice to the Association and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy.

18.2 Named Insured, Mortgagee Clause. The Master Policy shall be purchased by the Association naming the Association as the insured, as attorney-in-fact or trustee (for all of the Owners), which policy or policies must contain or have attached the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the mortgaged premises are located.

18.3 Fidelity Insurance. The Board of Directors shall also obtain and maintain fidelity insurance coverage against dishonest acts on the part of officers, directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than one and one-half (1-1/2) times the estimated annual operating expenses and reserves or (ii) the estimated maximum of funds, including reserve fund, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond, or (iii) a sum equal to three (3) months' aggregate assessments on all Lots plus reserve funds. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added (if the policy would not otherwise cover volunteers. The fidelity insurance policy shall provide it may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Association or to any Insurance Trustee and each servicer on behalf of FNMA and FHLMC.

18.4 Insurance for Lot Owner. Each Owner shall be required to obtain insurance, at his own expense, on his Lot, improvements, and on all furnishings and decorations and other items of personal property belonging to an Owner. Casualty and public liability insurance coverage within each Lot are specifically made the responsibility of the Owner thereof.

18.5 Insurance Trustee: Power of Attorney. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom such Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Lot Owner appoints the Association or any Insurance Trustee or substitute Insurance Trustee designated by the Association as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association or any Insurance Trustee shall receive, hold or otherwise properly dispose of

any proceeds of insurance in trust for Lot Owners and their first mortgage holders, as their interests may appear.

19. **Eminent Domain.**

19.1 **Acquisition of All or Substantially All of a Lot.** If a Lot is acquired by eminent domain, or if part of a Lot is acquired by eminent domain leaving the Lot Owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Declaration, the award must compensate the Lot Owner and mortgagees, if any, as their interest may appear, for the Lot and its Common Element interest, whether or not any Common Element interest is acquired. Upon acquisition, unless the decree otherwise provides, that Lot's entire Common Element interest, votes in the Association, and Common Expense liability are automatically reallocated to the remaining Lots in proportion to the respective interests, votes, and liabilities of those Lots before the taking.

19.2 **Acquisition of Part of Common Elements.** If part of the Common Elements is acquired by eminent domain, the award must be paid to the Association. The Association shall divide any portion of the award not used for any restoration or repair of the remaining Common Elements among the Lot Owners in proportion to their respective Common Element interests before the taking.

19.3 **Association to Represent Owners.** The Association shall represent the Lot Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements, or part thereof. Each Lot Owner appoints the Association as attorney-in-fact for such purposes.

20. **Registration of Mailing Address of Lot Owners.** Each Owner shall register his mailing address with the Association, and notices or demands intended to be served upon an Owner shall be sent by mail, postage prepaid, addressed in the name of the Owner at such registered mailing address.

21. **Period of Ownership.** The Real Estate Development created by this Declaration shall continue until this Declaration is revoked in the manner as is provided for in this Declaration.

22. **General Reservations.** Declarant reserves the right to establish within the Common Elements future easements, reservations, exceptions and exclusions consistent with the ownership and development of the Common Elements and of the Real Estate Development and for the best interests of the Lot Owners and the Association in order to serve the entire Real Estate Development.

23. **Waiver Clause.** Except as to the payment of assessments, the Association shall have the power to grant to any Owner a waiver, variance or exception of and from any of the provisions of this Declaration, so long as said waiver, variance or exception is approved by the Declarant, if the Declarant is the owner of any Lots, and so long as said waiver, variance or exception is approved by a majority of the Board of Directors of the Association.

24. **General.**

24.1 **Severance.** If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provisions, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

24.2 **Failure to Enforce Not Waiver.** No provision contained in this Declaration or the By-Laws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number violations or breaches which may occur.

24.3 **Captions.** The captions herein are inserted only as a matter of convenience, and for reference, and in no way define, limit or describe the scope of this Declaration or exhibits or the intent of any provision hereof.

24.4 **Gender.** The use of the masculine gender in this Declaration shall be deemed to refer to the feminine or neuter gender, and the use of the singular shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

24.5 **Covenants to Run With the Land.** The covenants, conditions and restrictions of this Declaration shall run with and bind the Real Estate Development and shall inure to the benefit of and be enforceable by the Association or any member, their respective legal representatives, heirs, successors and assigns.

24.6 **Declarant Easement.** Declarant has an easement through the Common Elements as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising Declarant's rights reserved herein.

24.7 **Enforcement at Law or In Equity: Notice to Mortgagee of Uncured Default.** The Association, or any Owner or Declarant, so long as Declarant has a record interest in the Real Estate Development, shall have the right to enforce by proceedings, at law or in equity, all restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation; however, with respect to assessment liens and Association Rules, the Association shall have the exclusive right to the enforcement thereof. The Association or any Owner shall also have the right to enforce, by proceedings at law or in equity, the provisions of this Declaration or the By-Laws and any amendments thereto. A first mortgagee, upon request, will be entitled to written notification from the Association of any default in the performance by the individual Lot Borrower of any obligation under the Real Estate Development documents which is not cured within sixty (60) days.

24.8 **Attorneys' Fees.** In the event an action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto, as part of the judgment, reasonable attorneys' fees and costs of such suit. In the event the Association is a prevailing party in such action, the amount of such attorneys' fees and costs shall be a special assessment with respect to the Lot involved in the action.

24.9 Special Amendment. Declarant (and its successors) hereby reserves and is granted the right and power to record a Special Amendment to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities and/or (ii) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Lots and improvements thereon. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to a Special Amendment on behalf of each Owner, each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Declarant to make, execute, and record special amendments. No special amendment made by Declarant shall affect or impair the lien of any first mortgage upon a Lot and improvements thereon or any warranties made by an Owner or first mortgagee in order to induce any of the above agencies or entities or make, purchase, insure, or guarantee the first mortgage on such Owner's Lot and improvements thereon.

24.10 Approval by the City of Norman. No amendment of this Declaration pertaining to Open Space Lot A, the screening fence, the area between the screening fence and Porter Avenue, or the mandatory nature or the Association shall be filed by the Declarant unless approval is received from the City of Norman.

24.11 Future Additions. Although this Declaration includes only the real property described on attached Exhibit "A", it is the intention of the Declarant to develop additional areas in the Southeast Quarter of Section Eighteen (18), Township Nine (9) North, Range Two (2) West, which additional areas will be complementary in concept to this Declaration, and which additional areas will provide additional owners as members of the Association. The Declarant, its successors and assigns, shall have the right to bring within the concept of this Declaration additional areas in said Southeast Quarter.

The additions authorized under this Article shall be made by filing of record a Supplementary Declaration of Covenants, Conditions and Restrictions, herein called "Supplementary Declaration" with respect to the additional property which shall extend the concept of the covenants and restrictions of this Declaration to such property. Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties, provided they are not inconsistent with the concept of this Declaration.

IN WITNESS WHEREOF, the undersigned have executed these presents the _____ day of _____, _____.

JORDAN BUILDING CO., INC.

By:

President

STATE OF OKLAHOMA)

) SS

COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me this _____ day of _____, _____, by _____, President of Jordan Building Co., Inc.

NOTARY PUBLIC

Commission Expires:

EXHIBIT 'A'

Hawthorne Place Addition, Sections One, Two, Three and Four to Cleveland County Oklahoma according to the recorded plat thereof. [Amended 11/4/96, 4/14/98 and 10/6/99]