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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR MANOR LAKE HILLS , A RESIDENTIAL COMMUNITY TO MCCLAIN COUNTY, STATE OF OKLAHOMA.

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After Recording, return to:

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**DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR MANOR LAKE HILLS , A RESIDENTIAL
COMMUNITY TO, McCLAIN COUNTY, OKLAHOMA.**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 5th day of June, 2014, by Adkins and Adkins Land Development, L.L.C., an Oklahoma limited liability company ("Declarant").

PART ONE: INTRODUCTION TO THE COMMUNITY

The Declarant has established this Declaration to provide a governance structure and a flexible system of standards and procedures for the overall development, administration, maintenance, and preservation of Manor Lake Hills as a quality residential community. Manor Lake Hills Homeowners Association, Inc. (the Association, or Manor Lake Hills Homeowners Association) is a homeowners association comprised of all owners of real property in Manor Lake Hills. The Manor Lake Hills Homeowners Association has the power under the Governing Documents to establish standards for conduct and activities for the property within Manor Lake Hills. Another component of the Manor Lake Hills development is the Design Review Board, which has jurisdiction over all matters of design review for all property within Manor Lake Hills.

Section 1 Creation of the Community.

1.1 Purpose and Intent.

Declarant, as the owner of the real property described in Exhibit "A," intends by the Recording of this Declaration to create a general plan of development for the planned community known as Manor Lake Hills . This Declaration provides a flexible and reasonable procedure for future expansion of Manor Lake Hills to include additional real property as Declarant deems appropriate and provides for the overall development, administration, maintenance and preservation of the real property now and hereafter comprising Manor Lake Hills. An integral part of the development plan is the creation of Manor Lake Hills Homeowners Association, Inc., an association comprised of all owners of real property in Manor Lake Hills, to own, operate and/or maintain various common areas and community improvements and to administer and enforce this Declaration and the other Governing Documents referred to in this Declaration. This Declaration does not and is not intended to create a unit ownership estate within the meaning of *60 O.S. §501 et seq.* This document does and is intended to create a real estate development and owners association within the meaning of *60 O.S. §851 et seq.*

1.2 Binding Effect.

All property described in Exhibit "A" and any additional property which is made a part of Manor Lake Hills in the future by Recording one or more Supplemental Declarations, shall be owned, conveyed and used subject to all of the provisions of this Declaration, which shall run with the land and title to such property. This Declaration shall be binding upon all Persons having any right, title,

or interest in any portion of Manor Lake Hills, their heirs, successors, successors in title, and assigns.

If any provision of this Declaration would be unlawful, void, or voidable by reason of applicability of the rule against perpetuities, such provision shall expire 21 years after the death of the last survivor of the now living descendants of the youngest living President of the United States having a descendant. Nothing in this Section shall be construed to permit termination of any easement, covenant, restriction, or obligation created in this Declaration without the consent of the holder of such easement, covenant, or restriction.

1.3 Governing Documents.

Manor Lake Hills Governing Documents create a general plan of development for Manor Lake Hills which may be supplemented by additional covenants, restrictions, and easements applicable to the property within Manor Lake Hills. In the event of a conflict between or among Manor Lake Hills Governing Documents and any such additional covenants or restrictions, and/or the provisions of any other articles of incorporation, bylaws, or rules or policies, the Declaration shall control. Nothing in this Section shall preclude the Recording of a Supplemental Declaration or other instrument applicable to any portion of Manor Lake Hills containing additional restrictions or more restrictive provisions. However, any Person who seeks to Record any instrument applicable to Manor Lake Hills must obtain Declarant's written consent so long as Declarant owns any property described in Exhibits "A" or "B" of this Declaration (collectively, the Properties). Any attempted Recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by Recorded consent signed by Declarant, so long as Declarant owns any property described in Exhibit "A" or Exhibit "B." All provisions of Manor Lake Hills Governing Documents shall apply to all Owners and to all occupants of all Lots, as well as their respective tenants, guests and invitees. Any lease of a Lot shall provide that the lessee and all occupants of the leased Lot shall be bound by the terms of Manor Lake Hills Governing Documents. If any provision of this Declaration is determined by judgment or court order to be invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications.

Section 2 Definitions.

The terms used in Manor Lake Hills Governing Documents shall be given their natural, commonly accepted definitions unless otherwise specified. Capitalized terms shall be defined as set forth below. If not defined herein, capitalized terms shall be defined as set forth in the Declaration, as applicable.

2.1 "**Association**": Manor Lake Hills Homeowners Association, Inc., an Oklahoma nonprofit corporation, its successors or assigns.

2.2 "**Base Assessment**": Assessments levied on all Lots subject to assessment under Section 8 to fund Common Expenses for the general benefit of all Lots, as determined in accordance with Section 8.1.

2.3 "**Board of Directors**" or "**Board**": The body responsible for administration of the Association, selected as provided in the ByLaws. Unless otherwise specifically noted, any reference to the Board in this Declaration means Manor Lake Hills Homeowners Association Board.

2.4 **"Builder"**: Any Person who purchases one or more Lots for the purpose of constructing improvements for later sale to consumers, or who purchases one or more parcels of land within Manor Lake Hills for further development, or resale in the ordinary course of such Person's business.

2.5 **"Class "B" Control Period"**: The period of time during which the Class "B" Member is entitled to exercise any addition or annexation rights under Section 9.1 to this Declaration.

2.6 **"Common Area"**: All real and personal property, which may include by illustration easements, rights of way adjoining public roads, platted detention/retention areas (including the slopes and grades thereof), and perimeter and interior permanent screening or fencing installed by the Declarant, which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners.

2.7 **"Common Expenses"**: The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to Manor Lake Hills Governing Documents. Common Expenses shall not be limited to those expenses relative to the care of Common Area.

2.8 **"Condominium"**: The form of ownership as defined under the Oklahoma Lot Ownership Estate Act, 60 O.S. §501 et seq.

2.9 **"Declarant"**: Adkins and Adkins Land Development, L.L.C., an Oklahoma limited liability company, or any successor or assign who takes title to any portion of the property described in Exhibits "A" or "B" for the purpose of development and/or sale and who is designated as Declarant in a Recorded instrument executed by Adkins and Adkins Land Development, L.L.C.

2.10 **"Development Plan"**: The land use plan, including PUD/zoning documents if any, for the development of Manor Lake Hills approved by McClain County, as it may be required and amended, which may include all of the property described in Exhibit "A" and all or a portion of the property described in Exhibit "B." Inclusion of property on the Development Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the omission of property described in Exhibit "B" from the Development Plan bar its later submission to this Declaration as provided in Section 9.

2.11 **"Member"**: A Person subject to membership in the Association pursuant to Section 6.2.

2.12 **"Mortgage"**: A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Lot. A "Mortgagee" shall refer to a beneficiary or holder of a Mortgage.

2.13 **"Owner"**: One or more Persons who hold the record title to any Lot, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Lot is sold under a Recorded contract of sale, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

2.14 **"Person"**: A natural person, a corporation, a partnership, a trustee, a limited liability company, or any other legal entity.

2.15 **"Record," "Recording," or "Recorded"**: To file, filing, or filed of record in the official records of the McClain County Clerk, McClain County, State of Oklahoma. The date of Recording shall refer to that time at which a document, map, or plat is Recorded.

2.16 **"Special Assessment"**: Assessments levied in accordance with Section 8.3.

2.17 **"Specific Assessment"**: Assessments levied in accordance with Section 8.4.

2.18 **"Supplemental Declaration"**: An instrument Recorded pursuant to Section 9, which

accomplishes one or more of the following purposes: (a) subjects additional property to this Declaration, or (b) imposes, expressly or by reference, restrictions and obligations on the land described in such instrument.

2.19 "**Manor Lake Hills** ": The real property described in Exhibit "A," together with such additional property as is subjected to this Declaration in accordance with Section 9.

2.20 "**Manor Lake Hills Governing Documents**" or "**Governing Documents**": A collective term referring to this Declaration and any applicable Supplemental Declaration, the ByLaws of the Association, (the "ByLaws"), the Articles of Incorporation of the Association, (the "Articles"), the Use Restrictions and Rules and any design review guidelines promulgated in accordance with Section 4, as they may be amended.

2.21 "**Manor Lake Hills Standard**": The standard of conduct, maintenance, or other activity generally prevailing throughout Manor Lake Hills . Such standard shall be established initially by Declarant and may be more specifically defined in the Use Restrictions and Rules, Design Review Guidelines, and in Board resolutions, the budget, levels of maintenance and the Association's operation of its facilities.

2.22 "**Lot**": A portion of Manor Lake Hills, whether improved or unimproved, which may be independently owned and is intended for development, use, and occupancy as a detached residence for a single family and as shown on the Plat(s). The term shall refer to the land, if any, which is part of the Lot as well as any improvements thereon. In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to contain the number of Lots designated for residential use for such parcel on the Development Plan or the site plan approved by Declarant, whichever is more recent, until such time as a subdivision plat is Recorded on all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall contain the number of Lots determined as set forth thereon and any portion not encompassed by such plat shall continue to be treated in accordance with this paragraph.

2.23 "**Use Restrictions and Rules**": The initial use restrictions and rules set forth in Exhibit "C," as they may be supplemented, modified and repealed pursuant to Section 3.

PART TWO: CREATION AND MAINTENANCE OF COMMUNITY STANDARDS

The standards for use, conduct, maintenance, and architecture at Manor Lake Hills give the community its identity and make Manor Lake Hills a place that people want to call "home." The standards are more than simply rules. This Declaration establishes procedures for rulemaking as a dynamic process which allows the community standards to evolve as the community changes and grows and as technology and public perception change.

Section 3 Use and Conduct.

3.1 Framework for Regulation.

Manor Lake Hills Governing Documents establish, as part of the general plan of development for Manor Lake Hills, a framework of affirmative and negative covenants, easements, and restrictions which govern Manor Lake Hills . Within that framework, the Board and the Members must have the ability to respond to unforeseen problems and changes in circumstances, conditions, needs, desires,

trends, and technologies which inevitably will affect Manor Lake Hills, its Owners and residents. This Section establishes procedures for modifying and expanding the initial Use Restrictions and Rules set forth in Exhibit "C." Any modification or expansion shall be effective whether or not Recorded. Each Owner is charged with determining the scope, terms, and nature of any restrictions, rules, and design guidelines pertaining to Manor Lake Hills, whether or not such documents are Recorded, provided such document is adopted pursuant to the terms of this Declaration.

3.2 Rule Making Authority.

(1) Subject to the terms of this Section and the Board's duty to exercise business judgment and reasonableness on behalf of the Association and its Members, the Board may modify, cancel, limit, create exceptions to, or expand the Use Restrictions and Rules. The Use Restrictions and Rules may apply to Lots, Common Areas, Owners, Persons, and the Association. The Board shall send notice by mail to all Owners concerning any such proposed action at least five business days prior to the Board meeting at which such action is to be considered. Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken. Such action shall become effective, after compliance with subsection (3) below, unless disapproved at a meeting by Members representing more than 50% of the total Class "A" votes in the Association and by the Class "B" Member, if any. The Board shall have no obligation to call a meeting of the Members to consider disapproval except upon receipt of a petition of the Members as required for special meetings in the ByLaws.

(2) Alternatively, the Members, at an Association meeting duly called for such purpose, may adopt rules which modify, cancel, limit, create exceptions to, or expand the Use Restrictions and Rules by a vote of Members representing more than 50% of the total Class "A" votes in the Association and the approval of the Class "B" Member, if any.

(3) In an effort to assist any Owner in discharging their duty of inquiry under 3.1, at least 30 days prior to the effective date of any action taken under subsections (1) or (2) of this Section, the Board shall send a copy of the new rule or explanation of any changes to the Use Restrictions and Rules to each Owner specifying the effective date. The Association shall provide, without cost, a copy of the Use Restrictions and Rules then in effect to any requesting Member or Mortgagee. Failure to affirmatively provide a copy of the new rule or explanation of any changes in the Use Restrictions and Rules, unless an Owner, Member, or Mortgagee expressly requests in writing a copy of the same, shall not affect the validity or effect of such rule or explanation thirty days after its adoption.

3.3 Owners' Acknowledgment and Notice to Purchasers.

All Owners are hereby given notice that use of their Lots and the Common Area is limited by the Use Restrictions and Rules as they may be amended, expanded and otherwise modified hereunder. Each Owner, by acceptance of a deed, acknowledges and agrees that the use and enjoyment and marketability of such Owner's Lot can be affected by this provision and that the Use Restrictions and Rules may change from time to time. All purchasers of Lots are on notice that changes may have been adopted by the Association. Copies of the current Use Restrictions and Rules may be obtained from the Association as provided above.

3.4 Protection of Owners and Others.

Except as may be contained in this Declaration either initially or by amendment or in the initial Use Restrictions and Rules set forth in Exhibit "C," and the Design Review Guidelines set forth in Exhibit "F," all rules shall comply with the following provisions:

(1) Similar Treatment. Similarly situated Owners shall be treated similarly; provided, the Design Review Guidelines and Use Restrictions and Rules may vary between additional or annexed properties.

(2) Displays. The rights of Owners to display religious and holiday signs, symbols, and decorations inside structures on their Lots of the kinds normally displayed in dwellings located in single family residential neighborhoods shall not be abridged, except that the Association may adopt time, place, and manner restrictions with respect to displays visible from outside the dwelling. No rules shall unreasonably regulate the content of political signs. The rules may regulate the time, place and manner of posting such signs (including design criteria).

(3) Household Composition. No rule shall interfere with the freedom of Owners to determine the composition of their households, except that the Association shall have the power to require that all occupants be members of a single housekeeping unit and to limit the total number of occupants permitted in each Lot on the basis of the size and facilities of the Lot and such occupants' fair use of the Common Area.

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

(5) Alienation. No rule shall prohibit transfer of any Lot, or require consent of the Association or Board for transfer of any Lot; provided, the Association or the Board may adopt reasonable rules relative to leasing. The Association may require that Owners use lease forms approved by the Association, but shall not impose any fee on the lease or transfer of any Lot greater than an amount reasonably based on the costs to the Association of administering that lease or transfer.

(6) Abridging Existing Rights. No rule shall require an Owner to dispose of personal property that was in or on a Lot prior to the adoption of such rule and which was in compliance with all rules previously in force. This dispensation shall apply only for the duration of such Owner's ownership of the Lot personally, and this right shall not run with title to any Lot.

(7) Reasonable Basis. No rule may prohibit any activity, condition, or conduct unless there exists a reasonable basis for the enactment of such rule. For purposes of this subsection, reasonable basis may include, but not be limited to, restrictions as to time, place, and manner of activity or conduct, or concerns relating to safety, fair use of Common Area, cost, aesthetics, or the goals of the comprehensive plan for the development of Manor Lake Hills.

(8) Reasonable Rights to Develop. No rule or action by the Association or Board shall unreasonably impede Declarant's right to develop the Properties.

The limitations in subsections (1) through (8) of this Section shall limit rulemaking authority exercised under Section 3.2 only; they do not limit amendments to this Declaration adopted in accordance with Section 17 or rights retained by the Declarant under Section 9.1.

Section 4 Architecture and Landscaping.

4.1 General.

The Design Review Board (DRB) shall have primary jurisdiction over all matters of design review for all property in Manor Lake Hills. The Design Review Board may, however, delegate some of its powers or responsibilities, with respect to design review for Manor Lake Hills to the Association. Unless and until such time as the Design Review Board delegates all or a portion of its reserved rights to the Association, the Association shall have no jurisdiction over architectural matters. To assist with an Owner's navigation of the design review process and standards, the Design Review Board adopts the Design Review Guidelines as initially set out in Exhibit "F," which may be amended from time to time as provided in Section 1.3 to the Design Review Guidelines. The Declarant shall act as the Design Review Board until the earlier of 1) the termination of the Class B Control Period, or 2) the Declarant by Recorded instrument assigns oversight of the DRB to the Association.

4.2 New Construction.

The DRB shall have exclusive oversight of all new construction within Manor Lake Hills, including but not limited to those elements defined as Modifications. So long as Declarant owns any portion of the property described in Exhibit "A" or Exhibit "B," Declarant, by agreement with the Design Review Board, may establish a higher standard of design review for initial construction for all or a portion of Manor Lake Hills than that which is applicable to other portions of Manor Lake Hills. In such event, Declarant shall administer the design review standards that exceed those imposed by the Design Review Board in accordance with procedures, policies, and standards agreed upon by Declarant and the Design Review Board.

4.3 Modifications.

The DRB shall have exclusive oversight over all modifications to existing construction within Manor Lake Hills, including but not limited to all exterior improvements, structures, and any appurtenances thereto or components thereof of every type and kind, and all landscaping features, including but not limited to buildings, outbuildings, swimming pools, tennis courts, patios, patio covers, awnings, solar panels, painting or other finish materials on any visible surface, additions, walkways, sprinkler systems, garages, carports, driveways, fences, screening walls, retaining walls, stairs, decks, landscaping, hedges, gardens, windbreaks, plantings, trees, shrubs, flowers, vegetables, sod, gravel, bark, exterior lighting, poles, sporting fixtures such as basketball goals, temporary sporting features such as temporary basketball goals, signs, exterior tanks, exterior air conditioning units, cooling, heating, and water softening equipment (Modifications). If the Design Review Board delegates to the Association its design review authority for Modifications, the Association shall establish an Architectural Review Committee (ARC). The structure, policies, procedures, and standards set forth in this Section shall apply to the ARC unless the Design Review Board otherwise establishes or modifies such matters.

4.4 No Waiver of Future Approvals.

Each Owner acknowledges that the persons reviewing applications under this Section (collectively, the "Reviewer") will change from time to time and that opinions on aesthetic matters, as well as interpretation and application of the Declaration or the Design Review Guidelines, may vary accordingly. In addition, each Owner acknowledges that it may not always be possible to identify objectionable features of proposed activity ("Work") within the scope of this Section until the Work

is completed, in which case it may be necessary to require changes to the improvements involved. Approval of applications or Plans for any Work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right of any Reviewer to withhold approval as to any similar applications, Plans, or other matters subsequently or additionally submitted for approval.

4.5 Variances.

A Reviewer may authorize variances from compliance with any guidelines and procedures (a) in narrow circumstances where the design meets the intent of the provision sought to be varied and where granting of the variance would enhance design innovation and excellence, or (b) when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations so require, but only in accordance with duly adopted rules and regulations. A variance may be granted only when special circumstances so dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the Reviewer from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, issuance of any permit, or the terms of any financing shall not constitute hardships.

4.6 Limitation of Liability.

The standards and procedures established by this Section are intended as a mechanism for maintaining and enhancing the overall aesthetics of Manor Lake Hills ; they do not create any duty to any Person. Review and approval of any application pursuant to this Section are made on the basis of aesthetic considerations only, and the Reviewer shall not bear any responsibility for ensuring (I) structural integrity or soundness of approved construction or modifications, (ii) compliance with building codes and other governmental requirements; or (iii) conformity of quality, value, size or design among Lots.

Declarant, the Design Review Board, the Association, the Board, and any committee, or member of any of the foregoing shall not be held liable for soil conditions, drainage or other general site work, or for any defects in plans revised or approved hereunder, or for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Lot. In all matters, the Reviewer shall be defended and indemnified by the Association as provided in Section 7.6.

4.7 Certificate of Compliance.

Any Owner may request that the Reviewer issue a Certificate of Architectural Compliance certifying that there are no known violations of this Section or the Declaration. The Association shall either grant or deny such request within 30 days after receipt of a written request and may charge a reasonable administrative fee for issuing such certificates. Issuance of such a certificate shall estop the Association from taking enforcement action with respect to any condition as to which the Association had notice as of the date of such certificate.

4.8 Fees; Assistance.

The Reviewer may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals. Declarant and the Association may employ architects, engineers, or other persons as deemed necessary to perform the review. The Board may include the compensation of such persons in the Association's annual operating budget as a Common Expense.

4.9 Declarant, Design Review Board, and ARC Addresses.

For purposes of this Section 4, Owners shall submit applications to each of the following addresses in the following forms:

Manor Lake Hills Declarant

Attn: Architectural Application
P O Box 722645
Norman, Oklahoma 73072

Manor Lake Hills Design Review Board

Attn: Architectural Application
P O Box 722645
Norman, Oklahoma 73072

Any change in the above notice addresses shall be given through a filing in the real property records of McClain County, State of Oklahoma designated a "Change of Address for Design Applications" providing both the entity and new address for submission of applications.

Section 5 Maintenance and Repair.

5.1 Maintenance of Lots.

Each Owner shall maintain such Owner's Lot, including all landscaping and improvements comprising the Lot, in a manner consistent with Manor Lake Hills Governing Documents, Manor Lake Hills Standard and all applicable covenants, unless, such maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to any Supplemental Declaration or other declaration of covenants applicable to such Lot.

5.2 Responsibility for Repair and Replacement.

Unless otherwise specifically provided in Manor Lake Hills Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary to maintain the property to a level consistent with Manor Lake Hills Standard.

By virtue of taking title to a Lot, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on such Owner's Lot, less a reasonable deductible. If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefitted Lot and the Owner.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising such Owner's Lot, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Section 4. Alternatively, the Owner shall clear the Lot and maintain it in a neat and attractive, landscaped condition consistent with Manor Lake Hills Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

The success of Manor Lake Hills is dependent upon the support and participation of every Owner in its governance and administration. The Declaration establishes the Association as the mechanism by which each owner is able to provide that support and participation. While many powers and responsibilities are vested in the Association's Board of Directors, some decisions are reserved for the Association's membership – the owners of property in Manor Lake Hills.

Section 6 The Association and its Members.

6.1 Function of Association.

The Association is the entity responsible for management, maintenance, operation and control of the Common Area. The Association also is the primary entity responsible for enforcement of Manor Lake Hills Governing Documents. The Association shall perform its functions in accordance with Manor Lake Hills Governing Documents and the laws of the State of Oklahoma.

6.2 Membership.

Every Owner is a Member of the Association. There is only one membership per Lot. If a Lot is owned by more than one Person, All Co-Owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 6.3(3) and in the ByLaws, and all such Co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in writing provided to the Secretary of the Association.

6.3 Voting.

The Association shall have two classes of membership, Class "A" and Class "B."

(1) **Class "A".** Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall have one equal vote for each Lot in which they hold the interest required for membership under Section 6.2, except that there shall be only one vote per Lot and no vote shall be exercised for any property which is exempt from assessment under Section 8.8. All Class "A" votes shall be cast as provided in Section 6.3(3) below.

(2) **Class "B".** The sole Class "B" Member shall be Declarant. The Class "B" Member may appoint members of the Board of Directors during the Class "B" Control Period, as specified in Section 3 of the ByLaws. Additional rights of the Class "B" Member are specified in the relevant sections of Manor Lake Hills Governing Documents. After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Board and committees as provided in Section 3.19 of the ByLaws.

The Class "B" membership shall terminate upon the earlier of:

(i) expiration or termination of the addition and annexation rights reserved to the Declarant in Section 9.1 to this Declaration; or

(ii) when, in its discretion, Declarant so determines and declares in a Recorded instrument.

Upon termination of the Class "B" membership, Declarant shall be a Class "A" Member entitled to one Class "A" vote for each Lot which it owns.

(3) **Exercise of Voting Rights.** Except as otherwise specified in this Declaration or the ByLaws, the vote for each Lot owned by a Class "A" Member shall be exercised by the Member representing the Lot. The Member may cast all such votes as it, in its discretion, deems appropriate. In any situation where a Member is entitled personally to exercise the vote for such Member's Lot, and there is more

than one Owner of such Lot, the vote for such Lot shall be exercised as the Co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Lot's vote shall be suspended if more than one Person seeks to exercise such vote; however the Lot shall be counted for quorum purposes.

Section 7 Association Powers and Responsibilities

7.1 Acceptance and Control of Association Property.

The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property. Declarant and its designees may convey to the Association personal property and fee title, leasehold or other property interests in any real property, improved or unimproved, described in Exhibits "A" or "B." The Association shall accept and maintain such property at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association.

Upon written request of Declarant, the Association shall reconvey to Declarant any unimproved portions of Manor Lake Hills originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error, needed by Declarant to make minor adjustments in property lines, or any other reasonable purpose.

The Declarant shall not bear any responsibility for any damages caused by mold, or by some other agent, that may be associated with defects in Common Area improvements and construction, to include but not be limited to property damage, personal injury, loss of income, emotional distress, death, loss of use, loss of value, and adverse health effects, or any other effects. Any implied warranties, including an implied warranty of workmanlike construction, an implied warranty of habitability, or an implied warranty of fitness for a particular use, are hereby waived and disclaimed.

7.2 Maintenance of Common Areas.

The Association shall maintain, in accordance with Manor Lake Hills Standard and the business judgment rule, the Common Area, which may include, but need not be limited to:

- (i) all portions of and structures situated upon the Common Area;
- (ii) landscaping within public right of way within or abutting Manor Lake Hills ;
- (iii) such portions of any additional property included within the Common Area as may be dictated by this Declaration, any Supplemental Declaration, or any contract or agreement for maintenance thereof entered into by the Association;
- (iv) all areas located within Manor Lake Hills which serve as part of the storm water drainage system for Manor Lake Hills , including improvements and equipment installed therein or used in connection therewith; provided, neither Declarant, the Design Review Board, nor the Association shall have any liability for damage or injury caused by flooding or surface runoff resulting from rainfall or other natural occurrences; and
- (v) any property and facilities owned by Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from Declarant to the Association and to remain a part of the Common Area and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

The Association shall have the right to enter upon, for the purpose of maintaining, and may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain

Manor Lake Hills Standard.

The Association shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own, except to the extent that it has been negligent in the performance of its maintenance responsibilities.

The Association shall maintain the facilities and equipment within the Common Area in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Members representing 75% of the Class "A" votes in the Association and the Class "B" Member, if any, agree in writing to discontinue such operation. Except as provided above, the Common Area shall not be reduced by amendment of this Declaration or any other means except with the prior written approval of Declarant as long as Declarant owns any property described in Exhibits "A" or "B" of this Declaration.

The costs associated with maintenance, repair, and replacement of the Common Area shall be a Common Expense; provided, the Association may seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Properties pursuant to this Declaration, other Recorded covenants, or agreements with the owner(s) thereof.

7.3 Insurance.

Subsequent to the Class B Control Period, the Association may maintain insurance as the Board, in its business judgment, determines advisable.

7.4 Compliance and Enforcement.

Every Owner and occupant of a Lot shall comply with Manor Lake Hills Governing Documents. The Board may impose sanctions for violation of Manor Lake Hills Governing Documents after notice and a hearing in accordance with the procedures set forth in Section 3.24 of the ByLaws.

Such sanctions may include, without limitation:

- (1) imposing reasonable monetary fines which shall constitute a lien upon the violator's Lot.
(In the event that any occupant, guest or invitee of a Lot violates Manor Lake Hills Governing Documents and a fine is imposed, the fine shall first be assessed against the violator, but if the fine is not paid by the violator within the time period set by the Board, the Owner shall pay the fine upon notice from the Board);
- (2) suspending an Owner's right to vote in all matters;
- (3) suspending any Person's right to use any recreational facilities within the Common Area; provided, however, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot;
- (4) suspending any services provided by the Association to an Owner or the Owner's Lot if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association;
- (5) exercising selfhelp or taking action to abate any violation of Manor Lake Hills Governing Documents in a nonemergency situation;
- (6) requiring an Owner, at the Owner's expense, to remove any structure or improvement on such Owner's Lot in violation of Section 4 and to restore the Lot to its previous condition and, upon failure of the Owner to do so, the Board or its designee shall have the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;
- (7) without liability to any Person, prohibiting any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of Section 4 from

continuing or performing any further activities in Manor Lake Hills ; and

(8) levying Specific Assessments to cover costs incurred by the Association to bring a Lot into compliance with Manor Lake Hills Governing Documents.

In addition, the Board may take the following enforcement procedures to ensure compliance with Manor Lake Hills Governing Documents without the necessity of compliance with the procedures set forth in Section 3.24 of the ByLaws; exercising selfhelp in any emergency situation (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations); and bringing suit at law or in equity to enjoin any violation or to recover monetary damages or both.

In addition to any other enforcement rights, if an Owner fails properly to perform such Owner's maintenance responsibility, the Association may Record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the Lot and the Owner as a Specific Assessment. Except in an emergency situation, determined in the sole discretion of the Board, the Association shall provide the Owner with reasonable notice and an opportunity to cure the problem prior to taking such enforcement action.

All remedies set forth in Manor Lake Hills Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce Manor Lake Hills Governing Documents, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take any action if the Board reasonably determines that the Association's position is not strong enough to justify taking such action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or estop the Association from enforcing any other covenant, restriction or rule. The Association, by agreement, may, but shall not be obligated to, enforce applicable city and county ordinances, and may, but shall not be obligated to, permit McClain County or any successor Municipality to enforce ordinances within Manor Lake Hills Properties for the benefit of the Association and its Members.

While conducting the business affairs of the Association, the Board shall act within the scope of Manor Lake Hills Governing Documents and in good faith to further the legitimate interests of the Association and its Members. In fulfilling its governance responsibilities, the Board's actions shall be governed and tested by the rule of reasonableness. The Board shall exercise its power in a fair and nondiscriminatory manner and shall adhere to the procedures established in Manor Lake Hills Governing Documents.

7.5 Implied Rights; Board Authority.

The Association may exercise any right or privilege expressly given to the Association by Manor Lake Hills Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in Manor Lake Hills Governing Documents, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

7.6 Indemnification of Officers, Directors and Others.

Subject to Oklahoma law, the Association shall indemnify every officer, director, and committee member, including the Design Review Board and Architectural Review Committee against all damages and expenses, including legal fees, reasonably incurred in connection with any claim, action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the

then Board of Directors) to which he or she may be a party by reason of being or having been an officer, director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association).

The Association shall indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

7.7 Security.

The Association may, but shall not be obligated to, maintain or support certain activities at Manor Lake Hills designed to enhance the security of Manor Lake Hills. Neither the Association nor Declarant are insurers or guarantors of security at Manor Lake Hills, nor shall either be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

The Association and Declarant make no representation or warranty that any systems or measures, including any mechanism or system for limiting access to Manor Lake Hills, cannot be compromised or circumvented, or that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all occupants of its Lot that the Association, its Board and committee members, and Declarant are not insurers and that each Person at Manor Lake Hills assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

7.8 Provision of Services.

The Board may enter into and terminate contracts or agreements with other entities, including Declarant, to provide services to and facilities for the Members and their guests, lessees and invitees; the Board may charge use and consumption fees for such services and facilities. By way of example, some services and facilities which might be offered include landscape maintenance, pest control service, cable television service, security, caretaker, transportation, fire protection, utilities, and similar services and facilities.

7.9 Facilities and Services Open to the Public.

Certain facilities and areas within the Common Area may be open for the use and enjoyment of the public. Such facilities and areas may include, by way of example: greenbelts, trails and paths, a town center, parks and other neighborhood spots at which to gather and interact, and roads, sidewalks, medians, and parking lots. Declarant may designate such areas and facilities as open to the public at the time Declarant makes such facilities or areas a part of the Common Area or the Board may so designate at any time thereafter.

7.10 Association's Responsibility with Respect to Transfer of Lots.

Subsequent to the Class "B" Control Period and if required by law, the Association shall furnish to

the purchaser of a Lot, within seven days after receipt of notice of a pending sale of the Lot given in accordance with Section 15, a copy of the Governing Documents, if not otherwise received by the purchaser in connection with such sale, and a dated document containing the following:

- (1) the telephone number and address of a principal contact for the Association, as designated by the Board;
- (2) the amount of all assessments, fees, or charges then owed by the seller of the Lot;
- (3) a statement regarding whether any portion of the subject Lot is covered by insurance the Association maintains;
- (4) a statement regarding whether the Association has any knowledge of any alterations or improvements to the Lot that violate any provision of this Declaration;
- (5) a statement as to whether the Association has knowledge of any violations of local health or building codes with respect to the Lot; and
- (6) a statement of case names and case numbers for pending litigation with respect to the Lot filed by the Association against the Member or filed by the Member against the Association. The Association may charge a fee to cover the costs the Association incurs in preparing any document required by this Section.

Section 8 Association Finances.

8.1 Budgeting and Allocating Common Expenses.

Prior to or contemporaneous with the invoicing of assessments, the Board shall prepare a budget of the estimated Common Expenses for the coming year, including any contributions to be made to a reserve fund pursuant to Section 8.2. The budget shall also reflect the sources and estimated amounts of funds to cover such expenses, which may include any surplus to be applied from prior years, any income expected from sources other than assessments levied against the Lots, and the amount to be generated through the levy of Base Assessments and Special Assessments against the Lots, as authorized in Section 8.5.

The Association is hereby authorized to levy Base Assessments, in accordance with the initial amounts set forth in Exhibit "E," or by some other formula, against all Lots subject to assessment under Section 8.5 to fund the Common Expenses. In determining the Base Assessment rate per Lot, the Board may consider any assessment income expected to be generated from any additional Lots reasonably anticipated to become subject to assessment during the fiscal year.

The Board shall send a copy of the final budget, together with notice of the amount of the Base Assessment to be levied pursuant to such budget, to each Owner. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in Section 2.4 of the ByLaws, which petition must be presented to the Board within 10 days after delivery of the budget and notice of any assessment.

If any proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then the budget most recently in effect shall continue in effect until a new budget is determined.

The Board may revise the budget and adjust the Base Assessment from time to time during the year, subject to the notice requirements and the right of the Members to disapprove the revised budget as set forth above. Notwithstanding any provision to the contrary, the Board may, in its sole discretion, increase the Base Assessment, provided such increase is uniform to all Lots and is no greater than twenty percent (20%) in any fiscal year.

8.2 Budgeting for Reserves.

The Board shall prepare and review at least annually reserve budgets for, respectively the Common Area. The budgets shall take into account the number and nature of replaceable assets, the expected life of each asset, and the expected repair or replacement cost. The Board shall include in the Common Expense budget adopted pursuant to Section 8.1, capital contributions to fund reserves in amounts sufficient to meet projected needs with respect both to amount and timing by annual contributions over the applicable budget period.

8.3 Special Assessments.

In addition to other authorized assessments, the Association may levy Special Assessments to cover unbudgeted expenses or expenses in excess of the amount budgeted, including any cost and expense related to indemnification of the Declarant under Section 7.6.

Any such Special Assessment may be levied against the entire membership. The Association shall levy any Special Assessment in accordance with the amounts or formula set forth in Exhibit "F." Except as otherwise specifically provided in this Declaration, any Special Assessment shall require the affirmative vote or written consent of Members representing more than 50% of the total votes allocated to Lots which will be subject to such Special Assessment, and the affirmative vote or written consent of the Class "B" Member, if such exists. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.4 Specific Assessments.

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

- (1) to cover the costs, including overhead and administrative costs, of providing services to a Lot upon request of an Owner pursuant to any menu of special services which may be offered by the Association (which might include the items identified in Section 7.9). Specific Assessments for special services may be levied in advance of the provision of the requested service; and
- (2) to cover costs incurred in bringing a Lot into compliance with Manor Lake Hills Governing Documents, or costs incurred as a consequence of the conduct of the Owner or occupants of a Lot, their agents, contractors, employees, licensees, invitees, or guests, including any claims, expenses, and damages relative to indemnification claims, damages, and expenses under Section 7.6; provided, the Board shall give the Lot Owner prior written notice and an opportunity for a hearing, in accordance with Section 3.24 of the ByLaws, before levying any Specific Assessment under this subsection (2).

8.5 Authority To Assess Owners; Time of Payment.

Declarant hereby establishes and the Association is hereby authorized to levy assessments as provided for in this Section and elsewhere in Manor Lake Hills Governing Documents. The obligation to pay assessments shall commence on a date determined in the sole discretion of the Declarant. Assessments shall be paid in such manner and on such dates as the Board may establish. The Board may require advance payment of assessments at the closing of the transfer of title to a Lot and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the Base Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Lot, the Board may require the outstanding balance on all assessments to be paid in full immediately.

8.6 Obligation for Assessments.

8.6.1 Personal Obligation. Each Owner, by accepting a deed or entering into a Recorded contract of sale for any portion of Manor Lake Hills, is deemed to covenant and agree to pay all assessments authorized in Manor Lake Hills Governing Documents.

All assessments, together with interest (computed from its due date at a rate of 10% per annum or such higher rate as the Board may establish, subject to the limitations of Oklahoma law), late charges as determined by Board resolution, costs, and reasonable attorneys' fees, shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay Base Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

No Owner may exempt themselves from liability for assessments by nonuse of Common Area, abandonment of a Lot, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or setoff shall be claimed or allowed for any alleged failure of the Association to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

The Association shall, upon written request from an Owner, Mortgagee, or other Person designated by the Owner, furnish a certificate, in recordable form, signed by an officer of the Association setting forth whether assessments for such Owner's Lot have been paid and any delinquent amount. Such certificate shall be binding upon the Association, the Board, and the Owners. If the Association fails to provide such certificate within seven business days of its receipt of a written request, any lien for unpaid assessments then due shall be extinguished, if Oklahoma law requires extinguishment in such case. The Association may require the advance payment of a reasonable processing fee for the issuance of such certificate.

8.7 Lien for Assessments.

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

The Association may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Association following foreclosure:

(a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and
(c) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Association. The

Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, the sale or transfer of any Lot pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to the Mortgagee's foreclosure. The subsequent Owner to the foreclosed Lot shall not be personally liable for assessments on such Lot due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 8.6, including such acquirer, its successors and assigns.

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

If only a portion of a Lot is Dedicated Property, any assessments which arose prior to the dedication shall remain due and owing against the nondedicated portion of the Lot. If the entire Lot is Dedicated Property, such unpaid assessments shall be deemed to be Common Expenses collectible from owners of all Lots subject to assessment under Section 8.5.

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

8.8 Exempt Property.

Notwithstanding an provision to the contrary in the Governing Documents, the following property shall be exempt from payment of Base Assessments, and Special Assessments:

- (1) All Common Area and such portions of the property owned by Declarant as are included in the Common Area pursuant to Section 7.2;
- (2) Any and all Dedicated Property including, without limitation such areas created by or dedicated in the form of easements, including, perpetual easements, tract easements, and easements in favor of the City of Newcastle, or property identified on the Development Plan as municipal use property; and
- (3) All property held by the Declarant, its successors, and its assigns, provided further that the Declarant, its successors, and its assigns shall also be exempt from Special Assessments, Specific Assessments, Reserve Assessments, and any charges or fines.

In addition, Declarant and/or the Association shall have the right, but not the obligation, to grant exemptions to certain Persons qualifying for tax exempt status under Section 501(c) of the Internal Revenue Code so long as such Persons own property subject to this Declaration for purposes listed in Section 501(c).

Dedicated Property also shall be exempt from the payment of Specific Assessments.

8.9 Limitation on Increases of Assessments.

Notwithstanding any provision to the contrary, the Board may not impose an assessment increase exceeding that allowable under Oklahoma law.

PART FOUR: COMMUNITY DEVELOPMENT

The Declaration reserves various rights to Declarant in order to facilitate the smooth and orderly development of Manor Lake Hills and to accommodate changes in the Development Plan which inevitably occur as Manor Lake Hills grows and matures.

Section 9 Expansion of Manor Lake Hills

9.1 Expansion by Declarant.

Declarant may from time to time subject to the provisions of this Declaration all or any portion of the property described in Exhibits "A" or "B" by Recording a Supplemental Declaration describing the additional property to be subjected. A Supplemental Declaration Recorded pursuant to this Section shall not require the consent of any Person except the owner of such property, if other than Declarant.

Declarant's right to expand Manor Lake Hills pursuant to this Section shall expire when all of the property described in Exhibits "A" or "B" has been subjected to this Declaration or 40 years after the Recording of the last Recorded Declaration or Supplemental Declaration whichever is earlier. Until then, Declarant may transfer or assign this right to annex property to any Person who is a purchaser of any portion of the real property described in Exhibits "A" or "B." Declarant shall memorialize such transfer in a Recorded instrument.

Nothing in this Declaration shall be construed to require Declarant or any successor to subject additional property to this Declaration or to develop any of the property described in Exhibits "A" or "B" in any manner whatsoever.

9.2 Expansion by the Association.

The Association may subject additional property to the provisions of this Declaration by Recording a Supplemental Declaration describing the additional property. Any such Supplemental Declaration shall require the affirmative vote of Members representing more than 50% of the Class "A" votes of the Association represented at a meeting duly called for such purpose and the consent of the owner of the property. In addition, so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1, the consent of Declarant shall be necessary. The Supplemental Declaration shall be signed by the President and Secretary of the Association, by the owner of the property and by Declarant, if Declarant's consent is necessary.

9.3 Additional Covenants and Easements.

Declarant may subject any portion of Manor Lake Hills to additional covenants and easements, including covenants obligating the Association to maintain and insure such property and authorizing the Association to recover its costs through assessments. Such additional covenants and easements may be set forth either in a Supplemental Declaration subjecting such property to this Declaration or in a separate Supplemental Declaration referencing property previously subjected to this Declaration. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the subject property in order to reflect the different character and intended use of such property.

9.4 Effect of Recording Supplemental Declaration.

A Supplemental Declaration shall be effective upon Recording unless otherwise specified in such Supplemental Declaration. On the effective date of the Supplemental Declaration, any additional property subjected to this Declaration shall be assigned voting rights in the Association and

assessment liability in accordance with the provisions of this Declaration.

Section 10 Additional Rights Reserved to Declarant.

10.1 Withdrawal of Property.

Declarant reserves the right to amend this Declaration, so long as it has a right to annex additional property pursuant to Section 9.1, for the purpose of removing from the coverage of the Governing Documents any portion of Manor Lake Hills . Such amendment shall require the consent of an Owner(s) of the property to be withdrawn only if 1) such Owner is not a Builder, and 2) such Owner is occupying on the Lot a residential dwelling for which an occupancy permit has issued. If the property is Common Area, the Association acting through its Board shall consent to such withdrawal.

10.2 Marketing and Sales Activities.

Declarant and Builders authorized by Declarant may construct and maintain upon portions of the Common Area such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of Lots, including, but not limited to, business offices, signs, model units, and sales offices. Declarant and authorized Builders shall have a license with interest for access to and use of such facilities.

10.3 Right To Develop.

Declarant and its employees, agents and designees shall have a right of access and use and an easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion. Every Person that acquires any interest in Manor Lake Hills acknowledges that Manor Lake Hills is a planned community, the development of which is likely to extend over many years, and agrees not to use Association funds to protest, challenge or otherwise object to changes in uses or density of property outside the property in which such Person holds an interest. To be clear, no Association funds shall be used to challenge, protest, object to, or otherwise interfere with the Declarant's development activities in Manor Lake Hills.

10.4 Right To Approve Changes in Standards.

No amendment to or modification of any Use Restrictions and Rules shall be effective without prior notice to and the written approval of Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1.

10.5 Right To Transfer or Assign Declarant Rights.

Any or all of the special rights and obligations of Declarant set forth in this Declaration or the ByLaws may be transferred in whole or in part to other Persons; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant has under this Declaration or the ByLaws.

No such transfer or assignment shall be effective unless it is in a written instrument signed by Declarant and duly Recorded. The foregoing sentence shall not preclude Declarant from permitting other Persons to exercise, on a one time or limited basis, any right reserved to Declarant in this Declaration where Declarant does not intend to transfer such right in its entirety, and in such case it shall not be necessary to Record any written assignment unless necessary to evidence Declarant's consent to such exercise.

10.6 Exclusive Rights To Use Name of Development.

No Person shall use the name "Manor Lake Hills " or any derivative of such name in any printed,

electronic, or promotional material without Declarant's prior written consent. However, Owners may use the name "Manor Lake Hills " in printed or promotional matter where such term is used solely to specify that particular property is located at Manor Lake Hills for sales purposes and the Association shall be entitled to use the word "Manor Lake Hills " in its name.

10.7 Termination of Rights.

The rights contained in this Section shall not terminate until the earlier of (a) the date of termination of the Class B Control Period pursuant to Section 9.1 or (b) Recording by Declarant, in the sole discretion of the Declarant, of a written statement terminating such rights.

PART FIVE: PROPERTY RIGHTS WITHIN THE COMMUNITY

The nature of living in a planned community, with its wide array of properties and development types and ongoing development activity, requires the creation of special property rights and provisions to address the needs and responsibilities of the Owners, Declarant, the Association, and others in or adjacent to the community.

Section 11 Easements.

11.1 Easements in Common Area.

Declarant grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Area, subject to:

- (1) Manor Lake Hills Governing Documents and any other applicable covenants;
- (2) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (3) The Board's right to:
 - (I) adopt rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;
 - (ii) suspend the right of an Owner to use recreational facilities within the Common Area
 - (A) for any period during which any charge against such Owner's Lot remains delinquent, and
 - (B) for a period not to exceed 30 days for a single violation or for a longer period in the case of any continuing violation, of Manor Lake Hills Governing Documents after notice and a hearing pursuant to Section 3.24 of the ByLaws;
 - (iii) dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;
 - (iv) impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;
 - (v) permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of use fees established by the Board;
 - (vi) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
 - (vii) designate certain areas and facilities within the Common Area as open for the use and enjoyment of the public in accordance with Section 7.9.

Any Owner may extend the rights of use and enjoyment hereunder to the members of such Owner's family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases a Lot shall be deemed to have assigned all such rights to the lessee of such Lot for the period of the lease.

Each Owner shall have an express covenant and easement for light, air, sound, and view in and around the Common Areas. A framework for preserving such covenant and easement is provided by the standards outlined in the Design Review Guidelines, the Governing Documents, and the Manor Lake Hills Standard. This covenant and easement seeks to preserve the tranquil, peaceful, and aesthetically pleasing enjoyment of Owners within the Common Area.

This covenant and easement shall not purport to provide any Owner substantive rights in any Lot burdened by this easement, only that the Owners may expect the Design Review Board to interpret and enforce the Design Review Guidelines to encourage a natural, peaceful, and aesthetically pleasing Common Area enjoyment experience.

Declarant, so long as Declarant owns any property described in Exhibits "A" or "B," and the Association shall have the right to grant easements in and to the Common Area to any service provider or third party contractor as may be necessary, in the sole discretion of Declarant or the Association, in connection with such service provider's or contractor's provision of services to Manor Lake Hills . Any such easements shall be subject to any limitations or restrictions placed upon the easement by the grantor. The grantor of such easements, either Declarant or the Association, shall have the right to require specifically that the party exercising the easements, after exercising the easement, take restorative or ameliorative action with respect to the burdened property.

11.2 Easements of Encroachment.

Declarant grants reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between each Lot and any adjacent Common Area due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.3 Easements for Utilities, Etc.

(1) The property described in Exhibits "A" or "B" shall be subject to such easements as are set forth in any and all separate, duly Recorded instruments, including without limitation, any and all applicable subdivision plats, maps of dedication, easements and easement agreements, subject to such terms, conditions, limitations, or restrictions as may be set forth in such separate instruments. Such easements may include (but shall not be required to include) easements for ingress and egress, private streets, public and private paths and trails, access for maintenance purposes, drainage and storm drains, landscape irrigation, private and public utilities, open space and visibility, emergency vehicle, and service vehicle access. Declarant and the Association, for themselves and their respect successors and assigns, each reserve the right to grant, convey, and dedicate over, upon, beneath, and across any land owned by it, any and all easements if may deem appropriate, whether in favor of any governmental entity, including McClain County, any public or private utility company, or any other third party, on such terms and subject to such conditions, limitations, or restrictions as may be necessary or appropriate to carry out the purpose of such easement.

(2) Declarant also reserves for itself and grants to the Association the nonexclusive right and power to grant and Record such specific easements as may be necessary, in the sole discretion of Declarant or the Association, as applicable, in connection with the orderly development of any property

described in Exhibits "A" and "B;" provided, the Association shall have such right and power only with respect to property that has been subjected to this Declaration in accordance with Section 9 and only with respect to property that is owned by Declarant or the Association, as applicable, but in any event the consent of the Declarant must first be obtained.

(3) All work associated with the exercise of the easements described in subsections (1) and (2) of this Section shall be performed in such a manner as to minimize interference with the use and enjoyment of the property burdened by the easement. The grantor of the easements described in subsection (1) or (2), either Declarant or the Association, shall have the right to require specifically that the party exercising the easement, after exercising the easement, take restorative or ameliorative action with respect to the burdened property. Upon completion of the work, the Person exercising the easement shall restore the property, to the extent reasonably possible, to its condition prior to the commencement of the work. The exercise of these easements shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

11.4 Easements To Serve Additional Property.

Declarant hereby reserves for itself and its duly authorized agents, successors, assigns, and mortgagees, an easement over the Association Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit "B," whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property.

11.5 Easements for Maintenance, Emergency and Enforcement.

Declarant reserves to itself and grants to the Association easements over Manor Lake Hills as necessary to enable the Association to fulfill its maintenance responsibilities under Section 7.2. The Association shall also have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance and to inspect for the purpose of ensuring compliance with and enforce Manor Lake Hills Governing Documents; provided, however, except to avoid imminent threat of personal injury or property damage, entry into any portion of any property not generally open to the public shall only be authorized during reasonable hours and after receipt of the consent of the Owner or occupant, which consent shall not unreasonably be withheld.

11.6 Easements for Irrigation, Detention/Retention Maintenance, and Flood Water.

To the extent that any lakes, ponds, channels, detention ponds, retention areas, collections of storm water drainage (collectively, Detention/Retention Area) is located within the Common Area, this Declaration hereby creates, in favor of Declarant and its successors, assigns, and designees, the nonexclusive right and easement, but not the obligation, to enter upon any Detention/Retention Area located within the Common Area to (a) install, operate, maintain, and replace pumps to supply irrigation water to the Common Area; (b) construct, maintain, and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with Manor Lake Hills Standard.

To the extent that any Detention/Retention Area is located within the Common Area, this Declaration hereby creates in favor of the Association and its successors, assigns, and designees, the nonexclusive right and easement to enter upon any Detention/Retention Area located within the Common Area to (a) install, operate, maintain, and replace pumps to supply Detention/Retention

Area to the Common Area; (b) construct, maintain, and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with the Manor Lake Hills Standard. Declarant, the Association, and their successors, assigns and designees shall have an access easement over and across any of Manor Lake Hills abutting or containing any Detention/Retention Area to the extent reasonably necessary to exercise their rights under this Section.

Declarant reserves for itself, the Association, and their successors, assigns and designees, a perpetual, nonexclusive right and easement of access and encroachment over the Common Area and Lots (but not the dwellings thereon) adjacent to or within 100 feet of any Detention/Retention Area at Manor Lake Hills, in order to (a) alter in any manner and generally maintain any irrigation lake within the Common Area; and (b) maintain and landscape the slopes and banks pertaining to such areas. All persons entitled to exercise these easements shall use reasonable care in and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make Declarant, the Association, or any other Person liable for damage or injury resulting from flooding or surface runoff due to rainfall or other natural occurrences. Nothing within this section shall alter or modify the Certification executed by each Owner at the purchase of their Lot (Addendum "D" OKR10, p.71)

11.7 Easements for Drainage Areas.

This Declaration hereby creates in favor of Declarant, so long as Declarant owns any property described in Exhibits "A" or "B," and the Association, and their successors, assigns, and designees, the nonexclusive right and easement to enter upon drainage ways, drainage culverts, natural drainage areas, washes and wash areas, other areas at Manor Lake Hills, including areas within Lots, used to drain surface runoff and flood waters, and any improvements and equipment installed or used in connection therewith (collectively, "Drainage Areas") to install, maintain, repair, and replace such areas and property. Except to avoid imminent threat of personal injury or property damage, entry onto any portion of any property not generally open to the public shall only be authorized during reasonable hours and after receipt of the Owner's or occupant's consent, which consent shall not unreasonably be withheld.

11.8 Easements for Screening and Fencing.

This Declaration hereby creates in favor of Declarant, so long as Declarant owns any property described in Exhibits "A" or "B," and the Association, and their successors, assigns, and designees, the nonexclusive right and easement to enter upon Lots and other areas within Manor Lake Hills, on which screening and fencing has been installed for the purpose of improving the aesthetic quality of the Property. Except to avoid imminent threat of personal injury or property damage, entry onto any portion of any property not generally open to the public shall only be authorized during reasonable hours and after receipt of the Owner's or occupant's consent, which consent shall not unreasonably be withheld.

PART SIX: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

The growth and success of Manor Lake Hills as a community in which people enjoy living, working, and playing requires good faith efforts to resolve disputes amicably, attention to and understanding of relationships within the community and with its neighbors, and protection of the rights of others who have an interest in the community.

Section 12 Dispute Resolution and Limitation on Liability and Litigation.

12.1 Consensus for Association Litigation.

Except as provided in this Section, the Association shall not commence a judicial or administrative proceeding without the approval at least two thirds of the Members. This Section shall not apply, however, to (a) actions brought by the Declarant or Association to enforce Manor Lake Hills Governing Documents (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments; (c) proceedings involving challenges to ad valorem taxation; or (d) counterclaims brought by the Declarant or Association in proceedings instituted against it. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

Prior to the Association or any Member commencing any judicial or administrative proceeding to which Declarant is a party and which arises out of an alleged defect at Manor Lake Hills or any improvement constructed upon Manor Lake Hills, Declarant shall have the right to be heard by the Members, or the particular Member, and to access, inspect, correct the condition of, or redesign any portion of Manor Lake Hills, including any improvement as to which a defect is alleged. Any such access, inspection, correction, or redesign shall occur only in the sole discretion of the Declarant. In addition, the Association or the Member shall notify the builder who constructed the subject improvement prior to retaining any other expert as an expert witness or for other litigation purposes.

12.2 Dispute Resolution and Enforcement.

Subject to Section 12.1, prior to the Declarant, Association, or any Member bringing any judicial or administrative proceeding under the Governing Documents or for a claim against the Declarant, Association, or any Member, such Person making a claim shall make a good faith attempt to negotiate in person with the other party, including seeking formal prelitigation mediation, for the resolution of the dispute. In the event good faith negotiations fail to resolve the dispute, the Person shall thereafter be entitled to sue in any court of competent jurisdiction or to initiate proceedings before any appropriate administrative tribunal on their claim. Each Party shall bear its own costs of any mediation, including attorneys' fees, and each Party shall share equally all charges rendered by any mediator. If the Parties agree to a resolution of any claim through negotiation or mediation and any Party thereafter fails to abide by the terms of such agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth above. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the noncomplying Party (or if more than one noncomplying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorneys' fees and court costs.

Each Owner shall comply strictly with the Governing Documents, including any rules, regulations, and resolutions of the Association. Failure to so comply shall be grounds for the taking of such actions elsewhere provided for in the Governing Documents, including but not limited to the institution of legal proceedings in an action at law and/or in equity. Should the Declarant or Association engage legal counsel for representation, all costs associated with such engagement, including litigation costs and expenses shall be recovered from the other party, which may be a Specific Assessment if the other party is a Member. No delay, failure, or omission on the part of the Declarant or Association in exercising any right, power, or remedy provided in these Governing Documents shall be construed as an acquiescence thereto or shall be deemed a waiver of the right to enforce such right, power, or remedy thereafter as to the same violation or breach, and shall act

as no bar to enforcement.

Section 13 Mortgage Provisions.

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in the Properties. The provisions of this Section apply to both this Declaration and to the ByLaws.

13.1 Notices of Action.

An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

- (1) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;
- (2) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of Manor Lake Hills Governing Documents relating to such Lot or the Owner or Occupant which is not cured within 60 days;
- (3) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or
- (4) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

13.2 Special FHLMC Provision.

So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing Section. Except for Declarant supplemental declarations, amendments, demands for transfer and the like, unless at least 67% of the first Mortgagees or Members representing at least 67% of the total Association vote consent, the Association shall not:

- (1) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);
- (2) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Lot;
- (3) By act or omission change, waive, or abandon any scheme of regulations or enforcement pertaining to architectural design, exterior appearance or maintenance of Lots and the Common Area (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);
- (4) Fail to maintain insurance, as required by this Declaration; or
- (5) Use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property. First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common

Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

13.3 Other Provisions for First Lien Holders.

To the extent not inconsistent with Oklahoma law:

(1) Any restoration or repair of Manor Lake Hills 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 the approval is obtained of the Eligible Holders of first Mortgages on Lots to which more than 50% of the votes of Lots subject to Mortgages held by such Eligible Holders are allocated.

(2) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first Mortgages on Lots to which more than 50% of the votes of Lots subject to Mortgages held by such Eligible Holders are allocated.

13.4 Amendments to Documents.

The following provisions do not apply to amendments to Manor Lake Hills Governing Documents or to termination of the Association as a result of (1) destruction, damage, or condemnation pursuant to Section 13.3(1) and (2), to the addition of land in accordance with Section 9, or to Declarant rights, including but not limited to Sections 10 and 17:

(1) The consent of Members representing at least 67% of the Class "A" votes and of Declarant, so long as it owns any land subject to this Declaration, and the approval of the Eligible Holders of first Mortgages on Lots to which at least 67% of the votes of Lots subject to a Mortgage appertain, shall be required to terminate the Association.

(2) The consent of Members representing at least 67% of the Class "A" votes and of Declarant, so long as it owns any land subject to this Declaration, and the approval of Eligible Holders of first Mortgages on Lots to which more than 50% of the votes of Lots subject to a Mortgage appertain, shall be required materially to amend any provisions of the Declaration, ByLaws, or Articles of Incorporation, or to add any material provisions thereto which establish, provide for, govern, or regulate any of the following:

(i) voting;

(ii) assessments, assessment liens, or subordination of such liens;

(iii) reserves for maintenance, repair, and replacement of the Common Area;

(iv) insurance or fidelity bonds;

(v) rights to use the Common Area;

(vi) responsibility for maintenance and repair of Manor Lake Hills

(vii) expansion or contraction of Manor Lake Hills or the addition, annexation, or withdrawal of property to or from the Association;

(viii) boundaries of any Lot;

(ix) leasing of Lots;

(x) imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Lot;

(xi) establishment of self management by the Association where professional management has been required by an Eligible Holder; or

(xii) any provisions included in the Declaration, ByLaws, or Articles of Incorporation which are for

the express benefit of holders, guarantors, or insurers of first Mortgages on Lots.

13.5 No Priority.

No provision of this Declaration or the ByLaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

13.6 Notice to Association.

Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

13.7 Failure of Mortgagee To Respond.

Any Mortgagee who receives a written request from the Declarant or Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

13.8 Construction of Section 13.

Nothing contained in this Section shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, ByLaws, or Oklahoma law for any of the acts set out in this Section.

Section 14 Relationship with McClain County, City of Newcastle and Media.

The Association shall promulgate and implement a process for and shall appoint a Person who serves as a single point of contact for the City of Newcastle, McClain County, media, and members of the public. The responsibilities of such Person shall include, without limitation, communicating with the City of Newcastle regarding maintenance issues within the purview of the Association and answering questions relevant to any matters for which the Association has responsibility or authority.

PART SEVEN: CHANGES IN THE COMMUNITY

Communities such as Manor Lake Hills are dynamic and constantly evolving as circumstances, technology, needs and desires, and laws change, as the residents age and change over time, and as the surrounding community changes. Manor Lake Hills Governing Documents must be able to adapt to these changes while protecting the special features of Manor Lake Hills that make Manor Lake Hills unique.

Section 15 Changes in Ownership of Lots.

Any Owner desiring to sell or otherwise transfer title to a Lot shall give the Board at least 14 days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessment obligations, until the date upon which such notice is received by the Board or the date title transfers, whichever is later.

Section 16 Changes in Common Area.

16.1 Condemnation.

If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least 67% of the total Class "A" votes in the Association and of Declarant, as long as Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as set forth in this Section.

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining land included in the Common Area to the extent available, unless within 60 days after such taking, Declarant, so long as Declarant owns any property subject to the Declaration or which may be made subject to the Declaration in accordance with Section 9.1, and Members representing at least 75% of the total Class "A" vote of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board.

The provisions of Section 7.3.3 regarding funds for restoring improvements shall apply. If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

16.2 Partition.

Except as permitted in this Declaration, the Common Area shall remain undivided, and no Person shall bring any action partition of any portion of the Common Area without the written consent of all Owners and Mortgagees. This Section shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

16.3 Transfer or Dedication of Common Area.

The Association may dedicate portions of the Common Area to McClain County, Oklahoma, or to any other local, state, or federal governmental or quasigovernmental entity, subject to prior approval of the Declarant during the Class "B" Control Period.

Section 17 Amendment of Declaration.

17.1 By Declarant.

In addition to specific amendment rights granted elsewhere in this Declaration and without restriction by any term within this Declaration, until termination of the Class "B" membership and for so long as the Declarant owns property described in Exhibits "A" or "B", Declarant may unilaterally amend this Declaration for any purpose and at any time, including during restrictive periods.

Thereafter, Declarant may unilaterally amend this Declaration if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) to enable any institutional or governmental lender, purchaser, insurer or

guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Lots; or (iv) to satisfy the requirements of any local, state or federal governmental agency. Any such enumerated amendment shall not unreasonably and adversely affect the title to any Lot unless the Owner shall consent in writing.

17.2 By Members.

Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing 75% of the total Class "A" votes in the Association, including 75% of the Class "A" votes held by Members other than Declarant, and the consent of Declarant, so long as Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Section 9.1. In addition, the approval requirements set forth in Section 13 shall be met, if applicable.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

17.3 Validity and Effective Date.

No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration or the ByLaws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon Recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

17.4 Exhibits.

The Exhibits attached to this Declaration are incorporated by this reference and such exhibits shall be amended as provided therein or in the provisions of this Declaration which refer to such exhibits.

IN WITNESS WHEREOF, the undersigned Declarant has executed the Manor Lake Hills Declaration and attached Exhibits the date and year first written above.

Adkins and Adkins Land Development, L.L.C., DECLARANT

An Oklahoma limited liability company

By: 
Bill Scot Adkins, the Managing Member

ACKNOWLEDGEMENT

State of Oklahoma }
} ss
County of McClain }

Before me, the undersigned Notary Public in and for the above county and state, on the 5th day of June, 2014, personally appeared Bill Scot Adkins, known to me to be the identical person who executed his name to the foregoing Declaration, who is the duly authorized agent for the Declarant for such executed Declaration, who acknowledged to me that he did so as his free and voluntary act on behalf of the Declarant for the uses and purposes set forth in the Declaration. Subscribed and sworn to before me the date next written above.

My commission expires: *3/25/18*
Notary Public: *Patti J Moorehead*
My commission number is: *14002615*



Manor Lake Hills – Exhibit A” The Property

MANOR LAKE HILLS ADDITION, MCCLAIN COUNTY, OKLAHOMA
being a Subdivision of the followings described Property:

A tract of land situated in part of the Southeast Quarter (SE/4) of Section Seventeen (17), Township Eight (8) North, Range three (3) West and part of the North Half (N/2) of Section Twenty (20), Township Eight (8) North, Range Three (3) West of the I.M., McClain County, Oklahoma, said tract being more particularly described as follows;

Basis of bearing for this description is the East line of said SE/4, assumed to bear S 00°02'24" W and monumented by a 3/8 inch rebar found at both the Northeast and Southeast corners of said SE/4;

Beginning at the Southeast Corner of said SE/4;
Thence S 89°51'45" W along the South line of said SE/4 a distance of 663.62 feet;
Thence S 00°02'24" W a distance of 550.40 feet;
Thence S 89°51'45" W distance of 4645.47 feet to the West line of said N/2 of Section 20;
Thence N 00°02'24" E along said West line a distance of 504.40 feet to the Northwest corner of said N/2 of Section 20;
Thence N 89°51'46" E along the North line of said N/2 of Section 20 a distance of 2654.50 feet to the Southwest corner of said SE/4 of Section 17;
Thence N 00°02'48" E along the West line of said SE/4 a distance of 1681.04 feet;
Thence S 89°20'05" E a distance of 1990.88 feet;
Thence S 00°02'24" W a distance of 661.26 feet;
Thence N 89°51'46" E a distance of 663.62 feet to the East line of said SE/4;
Thence S 00°02'24" W along said East line a distance of 991.89 feet to the POINT OF BEGINNING,
containing 6,534,049 square feet or 150.00 acres of land, more or less.

EXHIBIT "B"

Land Subject to Annexation

**THE LANDS BEING WITHIN A TEN MILE RADIUS FROM THE PROPERTY
DESCRIBED IN EXHIBIT "A"**

EXHIBIT "C"

Initial Use Restrictions and Rules for Manor Lake Hills

The following structural and use restrictions shall apply to all of Manor Lake Hills until such time as they are amended, modified, repealed or limited by rules of the Association adopted pursuant to Section 3 of the Declaration.

1. General. Manor Lake Hills shall be used only for residential and related purposes (which may include, without limitation, an information center and/or a sales office for any real estate broker retained by Declarant to assist in the sale of property described in Exhibits "A" or "B," offices for any property manager retained by the Association, or business offices for Declarant or the Association) consistent with this Declaration and any Supplemental Declaration.

2. Restrictions. The following activities are prohibited at Manor Lake Hills unless expressly authorized by, and then subject to such conditions as may be imposed by, the Board:

2.1 Parking. Parking any vehicles on public or private streets or thoroughfares, or parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other watercraft, trailers, stored vehicles, or inoperable vehicles in places other than enclosed garages; provided, construction, service and delivery vehicles shall be exempt from this provision for such period of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Area;

2.2 Pets. Raising, breeding, or keeping animals, livestock, or poultry of any kind, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted in a Lot. However, those pets which are permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Lots shall be removed upon the Board's request. If the pet owner fails to honor such request, the Board may remove the pet. Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the dwelling. Pets shall be registered, licensed and inoculated as required by law;

2.3 Noxious, Offensive Activity. Any activity which emits foul or obnoxious odors outside the Lot or creates noise or other conditions which tend to disturb the peace or threaten the safety of the occupants of other Lots;

2.4 Violations of Law. Any activity that violates local, state, or federal laws or regulations; however, the Board shall have no obligation to take enforcement action in the event of a violation;

2.5 Healthy Environment. Pursuit of hobbies or other activities that tend to cause an unclean, unhealthy, or untidy condition to exist outside of enclosed structures on the Lot;

2.6 Common Area Uses. Any noxious or offensive activity which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Area or to the occupants of other Lots;

2.7 Burning. Outside burning of trash, leaves, debris, or other materials;

2.8 Audible Discharge. Use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Lots, except alarm devices used exclusively for security purposes;

2.9 Firecrackers, Firearms and Explosives. Use and discharge of firecrackers and other fireworks, firearms, and other explosives, provided, the Board shall have no obligation to take action to prevent or stop such discharge;

2.10 Dumping. Dumping grass clippings, leaves or other debris, petroleum products, fertilizers, or

other potentially hazardous or toxic substances on any Lot or Common Area and in any drainage ditch, stream, pond, or lake, or elsewhere within Manor Lake Hills , except that fertilizers may be applied to landscaping on Lots provided care is taken to minimize runoff, and Declarant may dump and bury rocks and similar materials;

2.11 Accumulation of Debris. Accumulation of rubbish, trash, or garbage except between regular garbage pick ups, and then only in approved containers;

2.12 Obstructions. Obstruction or rechanneling drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that Declarant and the Association shall have such right; provided, the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Lot without the Owner's consent;

2.13 Subdivision of Lots. Subdivision of a Lot into two or more Lots, or changing the boundary lines of any Lot after a subdivision plat including such Lot has been approved and Recorded, except that Declarant shall be permitted to subdivide or replat Lots which it owns;

2.14 Use of Water Areas. Swimming, boating, use of personal flotation devices, or other active use of lakes, ponds, streams, or other bodies of water within Manor Lake Hills , except that catch and release fishing from the shore shall be permitted with appropriate licenses and Declarant, its successors and assigns, shall be permitted and shall have the exclusive right and easement to retrieve materials and objects from bodies of water within the Common Areas and to draw water from lakes, ponds, and streams within Manor Lake Hills for purposes of irrigation and such other purposes as Declarant shall deem desirable. The Association shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of rivers, lakes, ponds, streams or other bodies of water within or adjacent to Manor Lake Hills ;

2.15 Investment Uses. Use of any Lot for operation of a timesharing, fraction sharing, or similar program whereby the right to exclusive use of the Lot rotates among participants in the program on a fixed or floating time schedule over a period of years, except that Declarant and its assigns may operate such a program with respect to Lots which it owns;

2.16 Combustible Materials. Onsite storage of gasoline, heating, or other fuels, except that a reasonable amount of fuel may be stored on each Lot for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to any underground fuel tank authorized pursuant to Section 4;

2.17 Business Uses. Any business, trade, or similar activity, except that an Owner or occupant residing in a Lot may conduct business activities within the Lot so long as: (I) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Lot; (ii) the business activity conforms to all zoning requirements for Manor Lake Hills ; (iii) the business activity does not involve door to door solicitation of residents of Manor Lake Hills or constitutes a day care facility; (iv) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in Manor Lake Hills which is noticeably greater than that which is typical of Lots in which no business activity is being conducted; and (v) the business activity is consistent with the residential character of Manor Lake Hills and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of Manor Lake Hills , as may be determined in the Board's sole discretion.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than

the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (I) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required. This subsection shall not apply to any activity conducted by Declarant or a Builder approved by Declarant with respect to its development and sale of Manor Lake Hills or its use of any Lots which it owns within Manor Lake Hills , including the operation of a timeshare or similar program;

2.18 Wildlife. Capturing, trapping, or killing of wildlife within Manor Lake Hills, except in circumstances posing an imminent threat to the safety of persons using Manor Lake Hills;

2.19 Preservation of Natural Resources. Any activities which materially disturb or destroy the vegetation, wildlife, wetlands, or air quality within Manor Lake Hills or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution;

2.20 Vehicle Storage Conversions. Conversion of any carport or garage to finished space for use as an apartment or other integral part of the living area on any Lot;

2.21 Operation of Motorized Vehicles. Operation of motorized vehicles, including but not limited to motorcycles, scooters, mopeds, gocarts, and golf carts, on sidewalks, pathways or trails, except that motorized carts may be operated by those requiring the same for medical purposes; and

2.22 Construction Activities. Any construction, erection, placement, or Modification, permanently or temporarily, on the outside portions of the Lot, whether such portion is improved or unimproved, except in strict compliance with the provisions of Section 4 of the Declaration and the Design Review Guidelines. This shall include, without limitation, signs, basketball hoops, swing sets and similar sports and play equipment; clotheslines; garbage cans; woodpiles; aboveground swimming pools; docks, piers and similar structures; and hedges, walls, dog runs, animal pens, or fences of any kind; satellite dishes and antennas, except that:

2.22.1 an antenna designed to receive direct broadcast satellite services, including direct to home satellite services, that is one meter or less in diameter;

2.22.2 an antenna designed to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, that is one meter or less in diameter or diagonal measurement; or

2.22.3 an antenna that is designed to receive television broadcast signals; (collectively, "Permitted Antennas") shall be permitted on Lots, subject to such reasonable requirements as to location and screening as may be set forth in the Design Review Guidelines, consistent with applicable law, in order to minimize obtrusiveness as viewed from streets and adjacent property. Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna, cable, or other communication system for the benefit of all or a portion of Manor Lake Hills , should any master system or systems be utilized by the Association and require such exterior apparatus.

3. Prohibited Conditions. The following shall be prohibited at Manor Lake Hills:

3.1 Plants, animals, devices, or other things of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of Manor Lake Hills ;

3.2 Structures, equipment, or other items on the exterior portions of a Lot which have become rusty, dilapidated, or otherwise fallen into disrepair; and

3.3 Sprinkler or irrigation systems of any type which draw upon water from lakes, creeks, streams, rivers, ponds, wetlands, canals, or other surface waters within Manor Lake Hills , except that Declarant and the Association shall have the right to draw water from such sources.

3.4 Outbuildings, Temporary Structures. Except as otherwise provided in the Design Review Guidelines, no temporary sheds, outbuildings, or temporary accessory buildings are allowed. Any sheds, outbuildings, or accessory buildings of a permanent nature must obtain DRB approval prior to installation pursuant to Section 4.

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