

DECLARATION
AND
COVENANTS, CONDITIONS, RESTRICTIONS
AND
PROVISIONS FOR FUTURE HOMEOWNER'S ASSOCIATION
FOR THE PLAT OF
"HARVEST RIDGE"

ARTICLE I
DEFINITIONS

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

- A. "Addition" shall mean the real property described as Harvest Ridge Addition, Canadian County Oklahoma, as recorded on the plat thereof.
- B. "Assessments" shall mean that portion of the cost of maintaining, improving, repairing, insuring, operating and managing the Property which is to be paid by each separate owner as determined by the Association.
- C. "Association" shall mean and refer to the Harvest Ridge Homeowners Association, Inc., a non-profit organization which has been incorporated under the laws of the State of Oklahoma.
- D. "Building Setback Line" shall mean the line so designated on the plat where building may begin.
- E. "Common Area" shall mean all real property managed by the Association for the common use and enjoyment of the members of the Addition.
- F. "Council" shall mean the Council of the Harvest Ridge Homeowners Association as defined in Article IX Section 2 hereof.
- G. "Declarant" shall be Grellner Development, LLC.
- H. "Fence" shall mean any structure of any material that functions as a barrier or boundary.
- I. "Floor Area" or "Floor Space" shall be calculated using veneer dimensions.
- J. "Lot" shall mean any parcel of land, as subdivided and recorded in the recorded plat of said Addition in the records of the County Clerk of Canadian County, State of Oklahoma.
- K. "Member" shall mean any person or entity that is a recorded owner of separately owned lots in the Harvest Ridge Homeowners Association.
- L. "Off-Road Unlicensed Motor Vehicle" shall mean any three or four wheel motorized all-terrain vehicle; moped; off-road motor cycle or any other vehicle primarily designed for offroad use.
- M. "Outbuilding" shall mean any building that is separate from the main housing unit.
- N. "Owner" shall mean and refer to the owner of record, whether one or more persons or entities, of legal title to any Lot which is or may become a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- O. "Plat" shall mean each and every Plat filed by the Declarant and recorded in the records of the County Clerk, Canadian County, Oklahoma, which covers all or any portion of Property.
- P. "Property" or "Properties" shall mean and refer to that real property described in Article II.
- Q. "Property Line" shall mean that line where surveyors pin the boundary of a lot.
- R. "Person" shall mean an individual, corporation, partnership, association, trust or other legal entity, or any combination thereof.
- S. "Residence" shall mean an improvement constructed for single family residence.

T. "Residential Use" shall mean the occupation or use of a Residence in conformity with this Declaration and the requirements imposed by applicable zoning laws or other state, county or municipal rules and regulations.

U. "Single Family" shall mean one or more persons each related to the other by blood, marriage, legal adoption or legal guardianship, or a group of not more than three persons not all related, who maintain a common household in a Residence.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

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

All of Harvest Ridge addition, being a sub-division located at the E2 of NW Quarter of Section 5, Township 14 North, Range 7 West of the I. M, according to the recorded plat thereof.

Section 1. For the purpose of providing an orderly development of said tract and to provide adequate Restrictive Covenants for the mutual benefit of the owners and their successors in the title to the various lots within said Addition, the undersigned do hereby impose the following Restrictions and Covenants to which it shall be incumbent upon all persons claiming by, through or under said owners to adhere.

ARTICLE III

MINIMUM SQUARE FOOT REQUIREMENT

Section 1. All residences on all lots shall have a minimum square footage of 2500 square foot (Veneer footage). If a residence has more than one level, the ground floor shall have 2000 square feet of floor area minimum. In computing the required square footage, the basement, attached porches and garages shall be excluded.

Section 2. No residences shall exceed two (2) stories, nor exceed overall height of thirty (30) feet.

Section 3. All residences on all lots shall have a minimum covered front porch of seventy-five (75) square feet.

ARTICLE IV

BUILDING RESTRICTIONS

Section 1. Participating Builders. Members can choose their builder, however, building plans must be approved by the Council prior to construction of the build. If there are mid-build changes that involve the exterior or square footage of the home, the changes must be approved by the Council prior to the change. If building plans change from what was agreed upon, the council has the right to build it back to the agreed plans at the owner's expense.

Section 2. Garages. All residences in Addition will have a minimum of a three (3) car garage and a maximum of a four (4) car garage. This applies to attached garages.

Section 3. Septic Systems. All residences in Addition will be serviced by an Aerobic or Lateral Line septic system. Installation and usage will be as defined and governed by the Department of Environmental Quality of the State of Oklahoma. Entire system including sprinklers must be contained within property lines. Annual maintenance by a Septic System company is required. Failure to comply, gives the council the right to hire a Septic System Company to preform maintenance and necessary repairs, all at the owner's expense.

Section 4. Set Backs. No residences shall be located closer than seventy-five (75) feet from the edge of the road. With the exception of lots 19 and 20, no residences shall start further than one hundred twenty-five (125) feet from the edge of the road. No residences or structure shall be located closer than fifteen (15) feet to any side

property line. No structure shall be located closer than fifty (50) feet to the rear of property line. Fence is not considered a structure, but cannot be closer to the road than the residence, nor located on any easement.

Section 5. Temporary Buildings. No temporary buildings, portable buildings, tents, shacks, trailers, carports, privies or other unsightly buildings shall be erected or constructed on any lot within the addition. No garage apartment shall be constructed upon any lot within the Addition.

Section 6. Curb Appeal. All residences shall face the street. No clotheslines, garbage cans, trash, unused vehicles or other unsightly or objectionable items shall be stored, erected or left in a location visible from the street. No storage bins or storage tanks shall be constructed or erected between the house and the street.

Section 7. Businesses. No business (commercial or retail), trade or activity shall be carried on upon any lot. No noxious, offensive or illegal trade or activity shall be conducted on any lot. No acts shall be performed or committed which may be an annoyance or nuisance to the owner or owners of other lots within the Addition.

Section 8. Subdividing. Except as provided below, none of the lots in this Addition shall be sub-divided, divided or reduced in size in excess of four feet (4) from the dimensions as shown on the official plat of said Addition. The purpose of this Covenant is to allow and permit minor adjustments between adjacent property Owners. However, nothing in this Covenant shall prevent an Owner from building one (1) dwelling on two (2) or more Lots; or prevent Declarants of three (3) adjoining Lots from dividing the middle Lot between themselves and annexing it to the Lots adjoining on each side. However, no more than one (1) dwelling house (Structure) shall be permitted on the land encompassed by any Lot so divided and the adjoining Lot to which it has been annexed.

Section 9. Footing. Continuous footing of poured concrete must meet minimum requirements as provided by the Ordinances of the City of Okarche, Oklahoma.

Section 10. Foundation. Foundations may be elevated, or slab concrete, provided that all foundations shall be enclosed and placed under exterior walls of all buildings. No structures shall be erected upon pillars or piers, without the Council's approval. All covered porches/awnings on dwellings and outbuildings must have a concrete slab foundation for all covered areas.

Section 11. Outbuildings. Outbuildings will be limited to one, with an exception of a 2nd outbuilding under 400 square feet. Carports are prohibited. With the exception of lots 19 and 20, the front of the outbuilding(s) will not be closer to the street than the rear most part of the dwelling. For Lots 19 and 20, the front of the outbuilding(s) will not be closer to the street than the dwelling. No outbuildings will be located closer than fifteen (15) feet to any side property line, nor closer than fifty (50) feet to rear of property line. Material will be of a prefinished painted metal exterior finish or constructed of a material like that of the main dwelling. Under no circumstances will an outbuilding be used as a dwelling. Construction of outbuilding cannot start prior to the construction of the residence. Any one side of outbuilding cannot exceed 60 feet. Overall height of outbuilding must not exceed 20 feet. For those lot owners who opt to have outbuildings with attached awnings, awnings are allowed, but can't exceed 16 feet. Awnings on outbuildings do not count towards total square footage and must have concrete slab under all covered portions of the awning. Maximum size of outbuilding per size of lot:

(A) Outbuilding with lot under one and one half (1.5) acres (1.49 acre and below) will be of a size not to exceed 1200 square feet.

(B) Outbuildings with lot under two (2) acres (1.99 acres and below) will be of a size not to exceed 1600 square feet.

(C) Outbuildings with lot greater than two (2) acres (2.00 acres and above) will be of a size not to exceed 2400 square feet.

Section 12. Driveways. All driveways to residences within said Addition will consist of poured concrete and will be a minimum of twelve (12) feet in width. Any road, lane or driveway off of the main street will be concrete. Any road or sidewalk located further than the garage of the residence will not be required to be concrete.

Section 13. Landscaping. Landscaping will be required for all lots. Required landscaping includes grass in the entire front yard, side yards to property line, and minimum of twenty-five (25) feet past the rear most part of the residence. Trees shall not be located in any easement, nor closer than ten (10) feet from any side property line.

Section 14. Mailboxes. All Mailboxes within said Addition will be constructed of Brick or Stone of the same style and color as that used on the main dwelling. Each mailbox will have an address block located on the front side of the mailbox facing the street.

Section 15. Outdoor Lighting. All outdoor lighting erected on dwelling or outbuildings, security lights or yard lights will be erected in such a way as to be unobtrusive to neighbors.

Section 16. Lot Maintenance. The lot owner shall maintain all lots in a neat and clean condition. Weeds and brush shall be cut regularly by the lot owner. Should lots become unsightly, the Council may, after giving thirty (30) day notice in writing addressed to the last known address of the lot owner, contract to have weeds cut or lot cleaned and bill the owner at a rate of 150% of the cost of clearing the Lot. Should the bill become more than sixty (60) days in arrears, the Council may file a lien against the property for unpaid amount plus interest and related fees. The lot owners are responsible for maintaining the entire lot, including easements.

Section 17. Construction Period. Upon commencement of excavation for construction on any lot in this Addition, the work must be continuous, weather permitting, until the improvement is completed. No delay in the course of construction within a period of twelve (12) months will be permitted, unless further extension of time for the completion of said improvement is given by the Council. If the construction of residence is not completed within the time period, the council has the right to complete the build at the owner's expense.

Section 18. Temporary Dwellings. Under no circumstance will any outbuilding or detached garage erected or constructed on any lot in said Addition be used as a dwelling at any time.

Section 19. Motor Homes, Campers and trailers. Under no circumstances shall motor homes, mobile homes, campers or trailers be used as a dwelling in said addition.

Section 20. Water Meter. Each lot will have access to Town (Public) water. Lot owners will be responsible for obtaining a water meter from the town. Private well water is acceptable. The private water well cannot be located closer to the road than the residence, nor closer than fifteen (15) feet to any side, nor closer than fifty (50) feet to rear property line.

Section 21. Antennas. No antenna or other device for the transmission or reception of television or radio signals or any other form of electromagnetic radiation, except for satellite dishes not exceeding twenty-four (24) inches in diameter, shall be erected, used, or maintained outdoors on any Lot whether attached to a building or structure or otherwise without the prior written consent of the Designed Review Committee.

Section 22. Mineral Exploration. No Lot shall be used in any manner to explorer for or to remove any oil, gas or other hydrocarbons, minerals, gravel, or earth or any earth substance of any kind for commercial purposes.

ARTICLE V

ARCHITECTURE

Section 1: Plotting. A complete set of plans: plot plan, elevation, floor plan, materials list, colors list, size, use of structure, location on lot, and a non-refundable \$100.00 Architectural Fee, and any other pertinent information must be submitted to the Council for its written approval in advance of construction on any lot within said Addition. These plans will be kept in the Council's possession. If exterior changes are made subsequent to the Council's initial approval, these changes must be submitted to the Council following the procedures set forth for new construction. The Council reserves the right to call for an independent inspection to verify the specifications set forth in plans submitted and approved by the Council. If the owner is found to be non-conforming to these plans, the error must be corrected directly and the cost of the inspection borne by the owner.

Section 2: Building Materials. The exterior of any dwelling shall be at least seventy (70%) percent brick or stone, with the remaining may be lap siding, stucco, or other material which will blend together with the brick or stone. The council shall approve all exterior brick, roofing, or other building materials, including but not limited to colors, designs, patterns, and related aesthetic concerns. For future repairs or updating, changes from these approved plans and building material must be approved by the council. Failure to inform the council, gives the council the right to correct these changes back to the approved plans and building material at the owner's expense.

Section 3: Commencement of Construction. Construction or erection of any structure shall not commence until such a time the owner is granted written approval from the Council as set forth herein.

Section 4. Roofs. Roofs of all residences constructed in said Addition are to be 300 pounds per square or more of composition shingle similar to, but not limited to, Elk Products-Prestique I or GAF Timberline Series. The minimum pitch on all residences will be 8 - 12. Metal, shake, tile, and solar roofs are not allowed. With approval by the council, metal accents and lower pitch roof accents may be acceptable.

Section 5. Single Family Home. All residences must be single family home. Barn homes, mobile homes, manufactured homes, tiny homes, campers, and multi-family homes are prohibited.

ARTICLE VI

SIGNS, BILLBOARDS AND

MISCELLANEOUS STRUCTURES

Section 1. Commercial Signs and Billboards. No commercial signs or billboards shall be permitted in the Addition except those advertising the sale of property and those signs of the builders advertising planned construction, these signs will not exceed four feet in size.

Section 2. Miscellaneous Structures. No miscellaneous structures, equipment, or yard art shall be permitted in the Addition without prior written approval of the Council.

ARTICLE VII

GENERAL

Section 1. Initial Assessment. Each lot sold will at the time of closing be assessed an initial assessment to the Harvest Ridge Homeowners Association of \$500.00. Lot #19 and Lot #20 count as two (2) lots each.

Section 2. Detached Structures. No pergola or any detached structure or building for purely ornamental or other purposes shall be closer to the street than the rear most part of residence and not closer than fifteen (15) feet to any side of property line and not closer than fifty (50) feet to rear of property line.

Section 3. Animals and Livestock. Livestock will not be allowed in the addition. Domestic dogs and cats are allowed but will not exceed three in number; provided that unweaned puppies or kittens may be kept. All animal enclosures must be kept clean, neat and odor-free at all times, in addition to, the animal enclosures shall not be visible from the street. No inherently dangerous animal, livestock, or pet may be held, maintained, boarded, bred, sheltered, or kept within the Addition on a temporary or permanent basis. Inherently dangerous shall include, but is not limited to, any domestic, wild, or exotic mammal or reptile whose breed is commonly known as dangerous or aggressive (ie. pit bulls), or who is defined as dangerous or aggressive under any state or local regulation or law, or that are specifically excluded from homeowners' coverages. Inherently dangerous shall also include any animal or reptile who has been known to attack or bite other animals or reptiles or any human – regardless of provocation. All pets of any kind, nature, or breed must be maintained on a leash at all times that it is not within the confines of the owner's house or fenced yard. No pet or animal will be allowed to be maintained outside of the home if it engages in excessive barking or other sound. No owner shall permit their pet or animal to cause any disturbance of any nature on the property of another owner. Every owner shall be responsible for immediately removing their pet or animal's feces from a neighbor's lawn. Every owner shall remove their pet or animal's feces from that owner's lawn in a reasonable time so as to prevent an accumulation of odor which may be noticeable from neighboring properties.

Section 4. Garbage Dumping. No refuse or garbage may be thrown or dumped on any vacant lot in this Addition. Builders will be held responsible to see that concrete trucks do not "clean" their trucks on vacant lots within said addition.

Section 5. Swimming Pools. Swimming pools are allowed but must be of the inground type. Above ground pools are prohibited. Any Residence with a pool must have a fence, with a minimum height of four (4) feet.

Section 6. Fences. All fences shall be constructed in a good and workman-like manner of wood boards, plastic, wrought iron or vinyl material; and shall be artistic in design and shall not detract from the appearance of any adjacent structures. Black chain-link fencing is acceptable. Barbed wire and electric fences are prohibited. No fence shall exceed eight (8) feet in height as measured from the high side of the ground. No fences shall be constructed closer to the road than the residence, nor located on any easement.

Section 7. Easements. They are hereby reserved for the purpose of installing and maintaining municipal and public utility facilities and for such purposes incidental to the development. The property including, but not limited to drainage, easements shown on the plat. Within these easements, no structure, or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage in or outside of the easements, or which may obstruct or restrict the flow of water through drainage channels in or outside easements. The easement area of each lot shall be maintained by the lot owner.

Section 8. Drainage. All drainage channels, emergency overflow and other swells which are within or abutting to lots but are not a part of the drainage system maintained by public authority or utility company shall be the lot owner's responsibility; and it shall be the responsibility of the lot owner to a) keep the easements, channels, and sells free of any structure, planting's or other material which may change the direction of flow or obstruct or retard the flow of surface water in the channels or swells, whether they be in easements or contained on the individual property owner's lot; b) provide continuous maintenance of the improvements in the easements or of the channels or swells and keep existing drainage patterns in tact; except for the improvements for which a public authority, utility company or property owner's maintenance or the association is responsible; and c) prevent any changes in existing drainage which would adversely affect adjacent property owners. It is the lot

owner's responsibility to maintain drainage on the lot. No earthwork, grading, or excavation work shall be performed or completed on any Lot which would in any way impede the natural drainage or flow of water. No earthwork, grading, or excavation work shall be performed or completed on any Lot which will or may tend to interfere with, encroach upon or alter, disturb or damage any surface or subsurface utility line, pipe, wire, or easement. Any such interference, encroachment, alteration, disturbance, or damage due to the negligence of an Owner or his agent, contractor, or representatives will be the responsibility of such Owner, and the owner of the line, pipe, wire, or easement, or the Association, may affect all necessary repairs and charge the cost of the same to such Owner.

Section 9. Solar. Solar Panels used for storage of electricity are prohibited.

ARTICLE VIII

VEHICLES

Section 1. Speed Limit. A maximum speed limit of twenty (20) miles per hour in the Addition will be strictly enforced.

Section 2. Off-Road Vehicles. No off-road unlicensed motor vehicles shall be operated in the Addition, unless tagged for street use through the Town of Okarche.

Section 3. Parking. No parking of any kind on the street. No vehicle used for public transportation, commercial business, commercial transportation, or any other use, as well as trailer, campers, boats, or recreational items, shall be parked between the residence and street, nor parked closer than fifteen (15) feet from side of property. No trailer, boats, recreational items, or vehicles of any kind will be allowed on vacant lots.

ARTICLE IX

HARVEST RIDGE HOMEOWNERS ASSOCIATION

Section 1. Formation of Association. The owners of Lots within the addition shall constitute Harvest Ridge Homeowners Association. This will be a nonprofit organization in the form as determined in the reasonable discretion of the Council; that from and after the formation of such nonprofit organization, the rights and duties of the members and of the organization shall continue to be governed by the provisions of this Declaration. The purpose of the Homeowners Association is maintaining the look of the neighborhood, upkeep of the frontage, sign, common areas, grounds, drainage system, retention pond(s), egress drive, etc.

Section 2. Council of Directors. The affairs of the Association shall be governed by a Council of Directors (the "Council") which shall be composed of at least three (3) Members. Additional Council Members may be added as determined necessary by the Council. The initial Board shall be composed of the Declarant only, until there are ten (10) Members in the neighborhood. The Council will consist of a President, Treasurer, and a Secretary. In the event of death or resignation of any member or members of the Council, the remaining Council member or members, if any, shall have full authority to appoint a successor member or members. Members of the Council shall not be entitled to any compensation for services performed pursuant to this Declaration. To be eligible to be a Council member, you must be a Member in the neighborhood. If there are more than one applicant running for a Council member seat, a vote will take place that will involve only Members of the neighborhood. The election will be determined on the following basis: One (1) vote per one (1) Lot.

Section 3. Qualification for Membership. Each Owner of a lot in the addition shall be a member of the Association and shall be entitled to one membership and one vote for each lot owned. Ownership of a lot shall be the sole qualification for membership in the Association. If a member owns two (2) lots, the member's vote will count as two (2) votes, if a member owns one and a half (1.5) lots, the member's vote will count as one and a half (1.5) votes, etc. Lot #19 and Lot #20 count as two (2) lots each.

Section 4. Quorum. Except as otherwise provided in this Declaration, the presence in person or by proxy of Owners representing that number of votes that constitutes a majority of the total outstanding votes of Members shall constitute a quorum. In the event a quorum is not present, then the meeting called shall be adjourned, and if notice has not already been given, notice of a new meeting for the same purposes within two (2) to four (4) weeks shall be sent by mail, at which meeting the number of owners represented in person or by proxy shall be sufficient to constitute a quorum. An affirmative vote of a majority of the Members actually in attendance as such a reconvened meeting of the Owners, whether in person or by proxy, shall be required to transact the business of the meeting.

Section 5. Proxies. Votes may be cast in person or by written proxy. Proxies must be filed with the Secretary of the Association prior to the commencement of a meeting of the Owners at which such votes are to be cast.

Section 6. Transfer of Membership. Membership in the Association shall not be assigned, transferred, pledged, hypothecated, conveyed, or alienated in any way except upon the transfer of title to the Lot and then only to the transferee of the tile to the Lot. Any transfer of title to a Lot shall automatically transfer membership in the Association to the new Owner.

Section 7. Annual and Special Meetings. There shall be an annual meeting of the members of the Association in the first quarter of each fiscal year as such reasonable placed and time as may be designated by written notice from the Council, delivered to the owners no less than Thirty (30) days before the meeting. At the first such meeting, and at each annual meeting thereafter, the Owners shall elect, by majority vote, individuals to serve as Council members until a successor is elected at the next annual meeting. Each lot shall be entitled to one vote for each director and the voting for directors shall be non-cumulative. The financial statement for the preceding year (if any) and the budget, the Council has adopted for the pending fiscal year, shall be presented at the annual meeting for the information of the members. Special meetings of the members of the Association may be called upon, at any time, not less than fourteen (14) days prior written notice to all Owners, for the purpose of considering matters which require the approval of all or some of the Owners, or any other reasonable purpose.

Section 8. Books and Records. The Council shall cause to be kept complete, detailed and accurate books and records of the receipts and expenditures (if any) of the Association, in a form that complies with generally accepted accounting practices. The books and records, authorizations for payment of expenditures, and all contracts, documents, papers and other records of the Association shall be available for examination by the Lot Owners and the agents or attorneys of either of them, during normal business hours and at any other reasonable time or times.

Section 9. Transition Date. The "Transition Date" shall be the date on which control of the Council passes from Declarant to the Association. The Transition Date will be either (I) the date designated by the Declarant in a written notice to the Owners, this date may be by the Declarants election any date after this Declaration has been recorded or (ii) the 120th day after there are ten (10) Members in the neighborhood.

ARTICLE X

AUTHORITY OF THE COUNCIL

Section 1. Adoption of Rules and Regulations. The Council is empowered to adopt, amend, and revoke, on behalf of the Association, detailed administrative rules and regulations necessary or convenient, from time to time, to ensure compliance with the general guidelines of this Declaration to promote the comfortable use and enjoyment of the Property and to govern the operation and procedures of the Association. The rules and regulations may, without limitation, authorize voting by proxy or mail, or both, on Association matters. The rules and regulations of the Association shall be binding upon all Owners and occupants and all other Persons claiming any interest in the Property.

Section 2. Enforcement of Declaration, Etc. The Council shall have the power to enforce the provisions of this Declaration, and rules and regulations of the Association for the benefit of the Association. The failure of any Owner to comply with the provisions of this Declaration, or the rules and regulations of the Association will give rise to a cause of action in the Association (acting through the Council) and any aggrieved Lot Owner for recovery of damages, or injunctive relief, or both. If a legal action is brought to interpret or enforce compliance with the provisions of this declaration, or the rules or regulations of the Association, the prevailing party shall be entitled to judgment against the other party for its reasonable expenses, court costs, and attorney's fees in the amount awarded by the court.

Section 3. Goods and Services. The Council shall acquire and pay for, as common expenses of the Association, all goods and services reasonably necessary or convenient for efficient and orderly maintenance of all portions of the Common Areas and any related facilities or improvements not maintained by public utility Companies or a governmental entity. The goods and services shall include (by way of illustration and not limitation) utility services for Common Areas; policies of insurance; and maintenance, repair, landscaping, gardening, and general upkeep of the Common Areas and any related facilities or improvements, including park areas, greenbelts, retention basin and street lights. The Council may hire such contractors, as it considers necessary.

Section 4. Protection of Common Areas. The Council may spend such funds and take such action, as it may from time to time deem necessary to preserve the Common Areas, settle claims or otherwise act in what it considers to be in the best interests of the Association.

ARTICLE XI

BUDGET AND ASSESSMENT FOR COMMON EXPENSES

Section 1. Fiscal Year, Preparation of Budget. The Council may adopt such fiscal year for the Association as it deems to be convenient. Unless otherwise stated, the year will be the calendar year. As soon as the Council in its discretion deems advisable and prior to the expiration of each fiscal year thereafter, the Council shall establish a budget for the costs of maintaining the Common Area during the ensuing fiscal year. The Council shall then assess each Lot within the Addition with its pro rata share, based upon the number of Lots within the Addition. The Council, at its election, may require the Lot Owners to pay the amount assessed in equal monthly or quarterly installments or in a lump sum annually. The Council shall notify each Lot Owner in writing, at least ten days in advance, of each assessment period of the amount of the assessment for said period, which notice shall be accompanied by a copy of the budget on which the assessment is based. The assessment levied by the Council shall be used to promote the recreation, health, safety and welfare of the Lot Owners and for the improvement and maintenance of the Common Areas. The first annual assessment shall not exceed \$100.00 per lot, and shall not be collected prior to the first of the year following the date of the recording of this Declaration. Harvest Ridge Homeowners Association will determine subsequent annual assessment after its formation. Common area expense may include, but are not limited to, lawn care, plat care, park, street lights, and sign maintenance. Any assessment increase of over 10% more than the prior year's assessment must be recommended by the Council and approved by 2/3 majority vote of the members of the Association.

Section 2. Certificate of Unpaid Assessments. Any failure by the Council or the Association to make the budget and assessments thereunder, before the expiration of any fiscal year for the ensuing year, shall not be deemed a waiver or modification in any respect of the provisions of this Declaration, or a release of the Owners from the obligation to pay assessments during that or any subsequent year, and the assessment amount and payment method established for the preceding fiscal year (if any) shall continue until a new assessment is established. Upon the request of any Owner or Mortgagee or prospective Owner or prospective Mortgagee of a Lot, the Council will furnish a statement of the amount, if any, of unpaid assessments charged to the Lot. The statement

shall be conclusive upon the Council and the Association as to the amount of such indebtedness on the date of the statement in favor of all purchasers and Mortgagees of the Lot who rely on the statement in good faith. All assessments and other receipts received by the Association shall belong to the Association.

Section 3. Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence, as to all Lots, at such time as the Council in its absolute discretion, deems advisable. The first annual assessment shall be attested according to the number of months remaining in the fiscal year.

Section 4. Initial Assessment and Budget. The escrow agent will collect an initial assessment of Five Hundred Dollars (\$500.00) per Lot at the time of closing of each Lot. The escrow agent shall pay this initial assessment to the Association. This assessment shall constitute the initial budget of the Association for Legal Creation, Reimbursement of the cost for the frontage fence and sign, Common Area maintenance and repair unless further amended by the Council. Future annual assessments shall be set at the annual meeting for collection the following year. The first annual assessment shall be as disclosed in Section 1 above. Lot #19 and Lot #20 count as two (2) lots each.

ARTICLE XII

LIEN AND COLLECTION OF ASSESSMENTS

Section 1. Assessments Are a Lien Priority. All unpaid sums assessed by the Association for the share of the common expenses, chargeable to any Lot, and any sums specially assessed to any lot, under authority of this Declaration, shall constitute a lien on the Lot and all its appurtenances from the date the assessment becomes due and until fully paid. The lien for such unpaid assessments shall be subordinate to tax liens on the Lot in favor of assessing unit and/or special district, and to all sums unpaid on all First Mortgages of record, but to the extent permitted by applicable law, shall have priority over all other liens against the Lot. A first Mortgagee that obtains possession through a Mortgage foreclosure or deed of trust sale, shall take the Lot free of any claims for the share of common expenses or assessments by the Association chargeable to the Lot which became due before such possession, but will be liable for the common expenses and assessments that accrue after taking possession. The Lot's past-due share of common expenses or assessments shall become new common expenses chargeable to all of the Lot Owners, including the Mortgagee or foreclosure sale purchaser and their heirs, successors and assigns, in proportion to the number of Lots owned by each of them. Notwithstanding any of the foregoing, however, the Owner and the real estate contract purchaser shall continue to be personally liable for past due assessments as provided in Section 3 below. For purposes of this Section, "Mortgage" does not include a real estate contract and "Mortgagee" does not include the vendor or the assignee or designee of a vendor real estate contract.

Section 2. Lien May Be Foreclosed. The lien for delinquent assessments may be foreclosed by suit by the Council, acting on behalf of the Association, in like manner as the foreclosure of a Mortgage of real property. The Council, acting on behalf of the Association, shall have the power to bid on the lot at the foreclosure sale, and to acquire and hold, lease, Mortgage, and convey the same.

Section 3. Assessments Are Personal Obligations. In addition to constituting a lien on the Lot, all sums assessed by the Association chargeable to any Lot, together with interest, late charges, costs and attorneys' fees, in the event of delinquency, shall be the personal obligations of the Owner and any contract purchaser of the Lot, when the assessment is made, and their grantees. Suit to recover personal judgement for any delinquent assessments shall be maintainable without foreclosing or waiving the liens securing them.

Section 4. Late Charges and Interest of Delinquent Assessments. The Council may from time to time establish late charges and a rate of interest to be charged on assessments delinquent for a period of more than ten (10) days after the date when due. In the absence of another established, non-usurious rate, delinquent assessments shall bear interest at the rate of twelve percent (12%) per annum. If an installment on an assessment against a

Lot is not paid when due, the Council may elect to declare the entire assessments against the Lot for the remainder of the fiscal year to be immediately due and payable.

Section 5. Recovery of Attorneys' Fees and Costs. In any action to collect delinquent assessments the prevailing party shall be entitled to recover, as a part of its judgment, a reasonable sum for attorneys' fees and all costs and expenses reasonably incurred in connection with the action, in addition to taxable costs permitted by law.

Section 6. Remedies Cumulative. The remedies provided herein are cumulative and the Council may pursue them and any other remedies, which may be available under law, although not expressed herein, either concurrently or in any order.

Section 7. No Avoidance of Assessments. No Owner may avoid or escape liability for assessments provided for herein by abandoning his or her Lot.

ARTICLE XIII

FAILURE OF COUNCIL TO INSIST ON STRICT PERFORMANCE, NO WAIVER.

Section 1. The failure of the Council in any instance to insist upon the strict compliance with this Declaration or rules and regulations of the Association, or to exercise any right contained in such documents, or to serve any notice or to institute any action, shall not be construed as a waiver or a relinquishment for the future of any term, covenant, condition or restriction. The receipt, by the Council, of payment of any assessment from an Owner, with Knowledge of any breach by the Owner, shall not be a waiver of the breach. No waiver by the Council of any requirement shall be effective unless expressed in writing and signed by the Council.

ARTICLE XIV

LIMITATION OF LIABILITY

Section 1. So long as a Council member, or Association member, or Declarant has acted in good faith, without willful or intentional misconduct, upon the basis of such information as is then possessed by such Person, then no such Person shall be personally liable to any Owner, or to any other Person, including the Association, for any damage, loss, or prejudice suffered or claimed on account of any act, omission, error, or negligence of such Person; provided that this Article shall not apply where the consequences of such act, omission, error, or negligence are covered by any insurance actually obtained by the Council.

ARTICLE XV

INDEMNIFICATION

Section 1. Each Council member and Declarant shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed in connection with any proceeding to which he/she may be a party, or in which he may become involved, by reason of holding or having held such a position, or any settlement thereof, whether or not he/she holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by insurance and except in such cases wherein such Council member or Declarant is adjudged guilty of willful misfeasance in the performance of his or her duties; provided, that in the event of a settlement, the indemnification shall apply only when the Council approves such settlement and reimbursement as being for the best interests of the Association.

ARTICLE XVI

INSURANCE

Section 1. At such times as Council deems appropriate, the Council shall cause the Association to purchase and maintain, as a common expense, a policy or policies which the Council deems necessary or desirable to provide

casualty insurance; comprehensive liability insurance; with such deductible provisions as the Council deems advisable; insurance, if available, for the protection of the Association's Council and representatives from personal liability in the management of the Association's affairs; and such other insurance as the Council deems advisable. The Council shall review the adequacy of the Association's insurance coverage at least annually.

ARTICLE XVII

DAMAGE AND REPAIR OF DAMAGE TO PROPERTY

Section 1. In the event of any casualty, loss or other damage to the Common Area for which the then current assessments by the Council are insufficient to repair, or restore or for which there are not insurance proceeds or insufficient insurance proceeds available to the Council for such restoration or repair, the Council may make a special assessment against each Lot within the Addition for its pro rata share of the cost and expenses to repair and/or restore the Common Areas. The special assessment shall be payable, at the determination of the Council, in either monthly or quarterly installments or in a single lump sum amount. The Council shall notify each Lot Owner of any such special assessment not less than twenty (20) days prior to the date such special assessment or the first installment thereon is due and payable, which notice shall be accompanied by a reasonably detailed statement of the Council's estimated costs and expenses of repairing and/or restoring the Common Areas.

ARTICLE XVIII

AMENDMENTS OF DECLARATION

Section 1. Any Owner may propose amendments to this Declaration to the Council. A majority of the members of the Council may cause a proposed amendment to be submitted to the Members of the Association for their consideration. If an amendment is proposed by owners of twenty percent (20%) or more of the Lots, then, irrespective of whether the Council concurs in the proposed amendment, it shall be submitted to the Members of the Association for their consideration at their next regular or special meeting for which timely notice may be given. Notice of a meeting at which an amendment is to be considered shall include the text of the proposed amendment. Amendments may be adopted at a meeting of the Association or by written consent of the requisite number of persons entitled to vote, after notice has been given to all Persons entitled to receive notice of a meeting of the Association. The unanimous consent of all owners shall be required for adoption of either (i) an amendment changing the voting power or portion of assessments appurtenant to each Lot, or (ii) an amendment of Article IV or (iii) of this Article XVIII. Once an amendment has been adopted by the Association, the amendment will become effective when a certificate of the amendment, executed by a member of the Council, has been recorded in the real property Records of Canadian County, Oklahoma.

ARTICLE XIX

DURATION

Section 1. The covenants, condition and restrictions of this Declaration shall run with and bind the Property and shall inure to the benefit of and be enforceable by the Owners, their respective legal representatives, heirs, successors and assigns, for a period of thirty (30) years from the date this Declaration is recorded, after which time the covenants, conditions and restrictions shall be automatically extended for successive periods often (10) years each unless an instrument signed by a majority of the then owners has been recorded agreeing to terminate the covenants, conditions and restrictions.

ARTICLE XX

RESERVATION OF DECLARANT'S RIGHT TO AMEND TO COMPLY WITH FNMA, FHLMC OR FHA REQUIREMENTS

