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Oklahoma County Clerk SUPPLEMENTAL DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS COVERING KELLY LAKES ESTATES II, AN ADDITION TO THE CITY OF EDMOND, OKLAHOMA COUNTY, OKLAHOMA, ACCORDING TO THE RECORDED PLAT THEREOF

THIS SUPPLEMENTAL DECLARATION made and entered into this <u>13</u> day of December, 2013 by the undersigned, Kelly Lakes Development, L.L.C., an Oklahoma Limited Liability Company, the owner of all of the real property in the above addition.

WITNESSETH:

WHEREAS, the undersigned is the owner of the real property hereinabove described in this Declaration consisting of Lots 1 through 9 inclusive, Block 9; Lots 1 through 5 inclusive, Block 10; Lots 1 through 5 inclusive, Block 11; Lots 1 through 9 inclusive, Block 12; Lots 1 through 24 inclusive, Block 13 and Lots 1 through 13 inclusive, Block 14, Kelly Lakes Estates II and desires to create a real estate development thereon with a mutual, common or reciprocal interest in or restrictions upon areas and facilities for the benefit of the said development; and

WHEREAS, owner desires to provide for the preservation of the values and amenities in such development and for the maintenance and improvement of the areas and facilities as set forth herein; and to this end, desires to subject its said real property to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which are for the benefit of such property and each owner thereof; and

WHEREAS, owner has deemed it desirable, for the efficient preservation of the values and amenities in said development to create an agency to which should be delegated and assigned the power of maintaining and administering the areas and facilities, administering and enforcing the covenants and restrictions, and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, owner has caused to be incorporated under the laws of the State of Oklahoma, as a not for profit corporation, Kelly Lakes Estates Homeowners Association, Inc., for the purpose of exercising the functions aforesaid, and maintaining the common areas and facilities.

NOW, THEREFORE, PURSUANT TO TITLE 60, SECTION 851, ET SEQ OF THE OKLAHOMA STATUTES, THE UNDERSIGNED OWNER HEREBY DECLARES that all of the real property described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with, the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, its successors and assigns, and shall enure to the benefit of each owner thereof.

ARTICLE I

Definitions

Section 1. The following words when used in this Declaration (unless the context shall be prohibitive) shall have the following meanings:

- 1.1 "Association" shall mean and refer to Kelly Lakes Estates Homeowners Association, Inc.
- 1.2 "Board" shall mean the Board of Directors of the Association.
- 1.3 "Articles" shall mean the Articles of Incorporation of the Association filed in the office of the Secretary of State of the State of Oklahoma as such Articles may from time to time be amended.
- 1.4 "By-laws" shall mean the By-Laws of the Association, which are or shall be adopted by the Board as such by-laws may from time to time be amended.
- 1.5 "Rules" shall mean the Rules of the Association adopted by the Board, as they may be in effect from time to time pursuant to the provisions hereof.
- 1.6 "Occupancy" of any lot shall mean that point in time when the first member of the owner's family or anyone authorized by the owner moves into the dwelling located thereon.
- 1.7 "Member" shall mean those persons so defined in Sections 2.1, 2.2, and 2.4 of Article II below.
- "Maintained Areas" shall mean and refer to Common Areas A, B, C and D shown on the Plat of Kelly Lakes Estates I including the Lake located on Area A, the Club House located on Area C and all sprinkler systems, signs, lighting, planter beds, and fences, if any, thereon and any additional property accepted by the Association in writing to be owned and/or maintained, or included in supplemental declaration as provided in Article VI hereof.
- 1.9 "Lot" shall mean those tracts of land so designated upon the recorded subdivision Plat of Kelly Lakes Estates II, which are subject to these restrictions or any subsequent subdivision Plat made subject to these restrictions by Declarant or its successor or assigns upon which a single family residence is to be constructed.
- 1.10 "Person" shall mean an individual, a corporation, a limited liability company, a partnership, an association, a trust or other legal entity, or any combination thereof.
- 1.11 "Owner" shall mean the record owner, whether one or more persons, of the fee simple title to any lot, including contract sellers, but shall not include a mortgagee,

unless such mortgagee has acquired title pursuant to foreclosure or deed in lieu of foreclosure; nor shall such term include any other who has an interest merely as security for the performance of an obligation.

- 1.12 "Declarant" shall mean Kelly Lakes Development, L.L.C. or its successor or assigns.
- 1.13 "Common Area" shall mean any real property now or subsequently owned or acquired by the Association, which, without limiting the foregoing, shall be deemed to include common areas A, B, C, and D as designated on the Plat of Kelly Lakes Estates I recorded in Book 66, Page 37 and any common areas contained in any supplemental Declaration, if any, filed pursuant to Article VI hereof.
- 1.14 "Common Expenses" means and includes expenses for maintenance, replacement, repair, operation, improvements, management and administration of declared common expenses by the provisions of this Declaration.
- 1.15 "Lot Access Easement" shall mean the easement hereby created for each owner to have a non-exclusive easement in, on and through the Common Areas.
- 1.16 "Single Family Building Site" shall mean any Lot or adjoining Lots upon which a single family residence has been or will be constructed.

ARTICLE II

Membership in Association

Section 2.1. <u>Membership</u>. Membership in the Association shall be restricted to those owners of any lot subject to these restrictions and shall be a member (herein called "member") of the Association and to owners of lots in any subsequent development made subject to these restrictions. The membership of an owner shall become effective for all purposes upon the owner's purchase of a lot. Membership shall be appurtenant to and may not be separated from ownership of any Lot.

Section 2.2. <u>Voting Rights</u>. Each member shall be entitled to one vote for each lot in which they hold an interest required for membership specified in Section 2.1. When more than one person holds such interest or interests in any lot, all such persons shall be members, and the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

Section 2.3. <u>Interim Control of Association</u>. Until the1st day of January, 2020, or within one hundred twenty (120) days after the date ninety percent (90%) of all lots (including lots added by Supplemental Declarations, if any) have been conveyed by Declarant, whichever shall last occur, the Declarant may appoint or elect the Board of Directors of the Association, provided, however, should Declarant elect not to annex and add additional lots as expressly reserved under Article VI hereof, then Declarant may at its option waive and/or assign in writing its rights hereunder.

Section 2.4. <u>Kelly Lakes Development, L.L.C. Membership</u>. Notwithstanding the definition of membership contained in Section 2.1 above, Kelly Lakes Development, L.L.C. shall be deemed a member of the Association so long as it owns any unimproved lots subject to these restrictions and shall be entitled to three votes for each unimproved lot until said lot has been improved and sold.

ARTICLE III

Property Rights in the Maintained Areas

Section 3.1. No Property Rights in Maintained Areas. Members of the Association shall have no individual property rights in the maintained areas, which are all located within Public and/or Common Areas, but such members, as a result of the maintenance thereof by the Association, will be insured that said areas will continue to be properly cared for, mowed and landscaped for the benefit of the development.

ARTICLE IV

Covenant for Assessments

Section 4.1. Creation of the Lien and Personal Obligation of Assessments.

Section 4.1.1. The undersigned, as owner of the above lots, hereby covenants, and except as provided in Section 4.12.3. below, each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) annual and/or quarterly maintenance assessments; (2) special assessments for capital improvements, both of which assessments are to be fixed, established and collected from time to time as hereinafter provided. The annual or quarterly and special assessments, together with interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Such lien shall be paramount and superior to any homestead or other exemption provided by law. Each such assessment, together with such interest thereon and cost of collection thereof as provided, shall also be the personal obligation of the person who was the owner of such lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to an owner's successor in title unless expressly assumed by them.

Section 4.2. Purpose of Assessments.

4.2.1. The assessments levied by the Association shall be used exclusively for the purpose of promoting recreation, health, safety and welfare of the residents in the properties and in particular for the improvement, maintenance, repair, replacement and operation of

the maintained areas, common expenses, and of properties, services, and facilities devoted to the foregoing purposes and related to the maintained areas and facilities and for the cost of labor, equipment, materials, management and supervision thereof, which without limiting the foregoing shall include utilities, mowing, trimming, watering, grass, trees, flowers and other landscaping and the maintenance of the sprinkler systems, if any, the fountain in the lake, if any, water meters, pipes, heads, and electric meters and bills for lighting, if any, and for the common area and common expenses as defined in Article I Section 1.14 hereof.

Section 4.3. <u>Basis of Annual Assessment</u>. The initial annual maintenance assessment shall be \$200.00 annually after occupancy and none annually for Declarant commencing on the first day of each year, except for the initial assessment which shall be prorated as of the date title is transferred to an owner. (The Association may offer to discount the Assessment if paid annually) From and after the 1st day of January 2011, the annual maintenance assessment may be increased by a vote of the members, as hereinafter provided in Section 4.5. The Board may, after consideration of current maintenance costs and future needs of the Association, fix the actual maintenance assessments as a lesser amount.

Section 4.4. Special Assessments for Capital Improvements. In addition to the annual maintenance and assessments authorized by Section 4.3 hereof, the Association may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the maintained areas, or any common area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the vote of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and which shall set forth the purpose of the meeting, and subject to the quorum provisions of Section 4.6, below, and provided further, that the maximum amount of any special assessment which may be assessed against any member in any assessment year shall not exceed and amount equal to twice the maximum annual maintenance assessment for the same year.

Section 4.5. Change in Basis and Annual Assessments. The Association may change the annual maintenance assessment or the basis of the maintenance assessments fixed by Section 4.3 hereof, or both, prospectively for any one year period and at the end of such one year period, for each succeeding period of one year, provided that any such change shall have the assent of two-thirds (2/3) of the vote of the members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members at least thirty (30) days in advance and which shall set forth the purpose of the meeting, and subject to the quorum provisions of Section 4.6, below, provided further that the limitations of Section 4.3 hereof and of this Section 4.5 shall not apply to any change in the annual maintenance assessment or basis of the maintenance assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

Section 4.6. Quorum for Any Action Authorized Under Sections 4.4 and 4.5. The quorum required for any action authorized by Sections 4.4 and 4.5 hereof shall be as follows:

At the first meeting called, as provided in Section 4.4 and 4.5 hereof, the presence at the meeting of members, or of proxies, entitled to cast fifty-one percent (51%) of all the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called subject to the notice requirements set forth in Sections 4.4 and 4.5, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

- Section 4.7. <u>Uniformity of Assessments</u>. Every annual or quarterly maintenance and special assessment established under this Article IV shall be fixed at a uniform rate for all lots.
- Section 4.8. <u>Date of Commencement of Annual or Quarterly Maintenance Assessments:</u> <u>Due Dates</u>. The annual or quarterly maintenance assessments provided for herein shall commence on the date (which shall be the first day of the month) fixed by the Board to be the date of commencement.

The annual maintenance assessment shall become due and payable on the date fixed for commencement, and the maintenance assessments for each subsequent year shall become due and payable on the same date of each succeeding year.

The due date of any special assessment provided for in Section 4.4 hereof shall be fixed in the resolution authorizing such assessment.

- Section 4.9. <u>Duties of the Board</u>. With respect to assessments, the Board shall:
- Section 4.9.1. Fix the commencement date for annual maintenance assessments against all lots then owned and occupied by the owners, and send written notice thereof to all such owners, including owners of unoccupied lots, at least thirty (30) days before such commencement date; and,
- 4.9.2. Cause the Association to prepare and maintain a roster of lots, the owners thereof, the assessments applicable thereto, if any, and the status of the payment thereof, which shall be kept in the office of the Association and which shall be open to inspection by any owner; and,
- 4.9.3. Upon demand at any time, furnish to any owner liable for an assessment, a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.
- Section 4.10. <u>Effect of Non-Payment of Assessment: The Personal Obligation of the Owner; the Lien; Remedies of the Association</u>. If any assessment is not paid on the date when due (being a date specified in Section 4.8 hereof), then such assessment shall become delinquent and shall, together with interest thereon and the cost of collection thereof as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then owner, their heirs, devisees, personal representatives, trustees, successors and assigns. The

personal obligation of the then owner to pay such assessment, however, shall remain his personal obligation for the statutory period of five (5) years and shall not pass to his successors in title unless expressly assumed by them.

If the assessment is not paid within thirty (30) days after the delinquency date, the assessment shall bear interest from the date of delinquency at the rate of fifteen percent (15%) per annum and the Association may file Notice of such lien with the County Clerk of Oklahoma County for the amount thereof including costs and a reasonable attorney's fee of not less than \$200.00. Thereafter the Association may bring an action at law against the owner personally obligated to pay the same, or an action to foreclose the lien against the property, and there shall be added to the amount of such assessment the costs of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided, and a reasonable attorney's fee to be fixed by the court, together with the costs of the action.

- Section 4.11. <u>Subordination of the Lien to Mortgages</u>. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to assessment before such assessment became due, provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure, or any other proceeding in lieu of foreclosure. Such sale or transfer shall not, however, relieve such property from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.
- Section 4.12. <u>Exempt Property</u>. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein:
 - 4.12.1. All property acquired by governmental agency for public use, provided that so long as a lot may be used for residential purposes which comply with the minimum building requirements of this Declaration, such lot shall receive no exemption from said assessments, charges and liens.

ARTICLE V

Duties and Powers of Association and Owners

- Section 5.1. Owners. Each owner of a lot shall be solely responsible for payment of all ad valorem and personal property taxes assessed thereon, if any, for the payment of the assessments made pursuant to Article IV hereof, insurance on their home, including contents and for all other maintenance and repairs to their lot and the improvements thereon, including the front and back yard and the exterior and interior of the home.
- Section 5.2. <u>Association</u>. The Association shall be responsible to maintain the maintained areas or common areas owned by the Association, and to insure the improvements thereon, if any, and to maintain liability insurance on behalf of the Association.

Section 5.3. <u>Security</u>. In addition to those services set forth in Section 5.2 above, the Association may elect to provide or contract to provide security services in order to protect the health, safety and welfare of the owners and their property.

ARTICLE VI

Expansion

Section 6.1. Reservation of Right to Annex Additional Lots. Declarant hereby expressly reserves and is granted the option and right to annex and add additional lots to this Declaration at any time within fifteen (15) years from the date hereof without the consent of the Association or the subsequent owners of the lots covered by this Declaration, provided, however, said additional lots are located within the Northwest Quarter of Section 11, Township 14 North, Range 3 West, Oklahoma County, Oklahoma.

Section 6.2. <u>Method of Annexation</u>. Declarant or its successors and assigns may include additional lots by filing a Supplemental Declaration setting forth therein the legal description of the additional lots and a statement said lots shall be subject to the terms and provisions of this Declaration.

ARTICLE VII

Insurance

Section 7.1. <u>Insurance</u>. The Association's Board of Directors or its duly authorized agent shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area and units against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief, in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard. The Association shall also obtain a public liability policy covering all the Common Area and all damage or injury caused by the negligence of the Association or any of its agents and, if reasonably available, directors' and officers' liability insurance. The public liability policy shall have at least a Five Hundred Thousand Dollar (\$500,000.00) any one person, One Million Dollar (\$1,000.000.00) limit (per occurrence), as respects bodily injury, and a Fifty Thousand Dollar (\$50,000.00) minimum property damage limit. Premiums for all such insurance shall be common expenses of the Association. The policy may contain a reasonable deductible and the amount thereof shall be added to the face amount of the policy in determining whether the insurance equals at least the full replacement cost.

Each owner is encouraged to maintain adequate insurance covering their lot and the improvements thereon, including liability coverage. In the event that the structure is totally destroyed and the individual Owner determines not to rebuild or to reconstruct, the individual

Owner shall clear the Lot of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association, as Trustee for each of the Owners as their interests may appear. Such insurance shall be governed by the provisions hereinafter set forth in this Article VII.

- (a) All policies shall be written with a company licensed to do business in the State of Oklahoma and holding a rating of XI or better in the financial category as established by Best's Insurance Reports, if such company is available or, if not available, the best rating possible or its equivalent rating.
- (c) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance, if any, purchased by individual Owners or their mortgagees.
- (d) It shall be the individual responsibility of each Owner, at his or her own expense, to provide, as he or she sees fit, title insurance on his or her individual Lot, insurance on improvements and betterments, and liability insurance.
- (e) The Association's Board of Directors shall conduct an annual insurance review which shall include a replacement cost appraisal, without respect to depreciation, of all insurable improvements on the Common Area, by one or more qualified persons.
- (f) The Association's Board of Directors shall be required to make every reasonable effort to secure insurance policies that will provide for the following:
 - (aa) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its Manager, the Owners and their respective servants, agents and guests;
 - (bb) a waiver by the insurer of its right to repair and reconstruct instead of paying cash;
 - (cc) that no policy may be cancelled, invalidated, or suspended on account of any one or more individual owners;
 - (dd) that no policy may be cancelled, invalidated or suspended on account of the conduct of any director, officer or employee of the Association or its duly authorized Manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its Manager, any Owner, or mortgagee;
 - (ee) that any "other insurance" clause in any policy excludes individual Owners' policies from consideration;

- (ff) that no policy may be cancelled or substantially modified without at least ten (10) day's prior written notice to the Association;
 - (gg) an agreed amount endorsement; and
 - (hh) an inflation guard endorsement.

In addition to the other insurance required by this Article, the Board may obtain, as a common expense, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment, but may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

Section 7.2. <u>No Partition</u>. There shall be no judicial partition of the Common Area or any part thereof, nor shall any person acquiring any interest in the Properties or any part thereof seek any such judicial partition until the happening of the conditions set forth in Section 7.3 of this Article in the case of damage or destruction or unless the Properties have been removed from the provisions of this Declaration.

Section 7.3. <u>Disbursement of Proceeds</u>. Proceeds of insurance policies shall be disbursed as follows:

- (a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction, as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction or affecting necessary settlements in lieu of repair shall be retained by and for the benefit of the Association and placed in a capital improvements account.
- (b) If it is determined, as provided for in Section 7.4 of this Article, that the damage or destruction for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for excess proceeds in Section 7.3(a) hereof.

Section 7.4. Repair and Reconstruction.

(a) Immediately after the damage or destruction by fire or other casualty to all or any portion of the Properties covered by insurance written in the name of the Association, the Board of Directors, or its duly authorized agent, shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition in which it existed prior the fire or other casualty with each structure on the Common Area, to the

extent possible. Construction or reconstruction shall be in substantial conformity with that which existed prior to the damage or destruction.

- (b) Any such damage or destruction shall be repaired or reconstructed unless at least seventy-five percent (75%) of the total vote of the Association shall decide within sixty (60) days after the casualty not to repair or reconstruct.
- (c) In the event that it should be determined by the Association, in the manner described above, that the damage or destruction shall not be repaired or reconstructed, then, and in that event, the property shall be restored to its natural state and maintained as an undeveloped portion of the Common Area by the Association in a neat and attractive condition.
- (d) If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the members, levy a special assessment or assessments against all Owners in sufficient amounts and at necessary times to provide funds to pay such excess costs of repair or reconstruction.

ARTICLE VIII

Architectural Committee and Building Restrictions

Section 8.1. Architectural Committee. No building, improvements, and/or fence shall be erected, placed or altered on any Lot or building site composed of a part of one or more of the above described lots, or any Lots contained in a supplemental Declaration, until after the building plans, specifications and plot plans showing the location of such building, improvements and/or fence have been approved in writing as to conformity and harmony of external design with existing structures in said Subdivision and as to location of the building, improvements and/or fence with respect to topography and finished ground elevation, and with respect to side lot and front building setback lines, by a majority of an Architectural Committee composed of DALE E. TERRELL, DONALD G. TERRELL AND PEBBLE F. TERRELL, or their duly authorized representative or representatives or successors. In the case of the death or resignation of any member or members of said Committee, the Declarant shall have authority to appoint successor members to the above named Committee to fill any vacancy or vacancies created by the death or resignation of any of the aforesaid members, and said newly appointed member or members shall have the same authority hereunder as their predecessors to approve or disapprove such design or location within thirty (30) days after said buildings plans, specifications and plot plan have been submitted to them, or in any event, if no suit to enjoin the erection of such building or the making of such alterations has been commenced prior to the completion thereof, such approval shall not be required and this covenant shall be deemed to have been fully complied with. Said Committee, their authorized representatives or successors, shall act and serve until control of the Association is turned over by the Declarant, at which time the record owners of two-thirds of the lots covered by these Restrictions may designate in writing, duly recorded in the County Clerk's Office of Oklahoma County, their authorized representatives, who thereafter shall have all of the powers, subject to the same limitations, as were previously delegated therein to the above named Committee.

It is specifically understood and agreed that a majority of said Architectural Committee shall have, and are hereby granted the authority and power to waive in writing any building restriction herein contained, except those prohibiting the use of any lot and/or residential building site for business, professional, and/or commercial purposes, if in said Committee's sole opinion such actions would not materially injure and/or substantially affect the property rights of other owners within said Addition.

Section 8.2. <u>Use of Lots</u>. All of the lots covered by these Restrictions and hereinabove described shall be known as and reserved exclusively for use as single family residential building sites, and no structures shall ever be erected, altered, placed or permitted to remain on any lot and/or building site, other than one (1) single family residence not to exceed two (2) story in height and a private garage for not less than two (2) or more than three (3) automobiles, and other structures customarily appurtenant thereto, including outbuildings as hereinafter provided.

Section 8.3. <u>No Business Use.</u> No building or structure of any sort may ever be placed, erected or used for business, professional and/or commercial purposes on any portion of any lot covered by these Restrictions except this prohibition shall not apply to any building or structure that may be placed on any lot, or portion of a lot covered by these Restrictions that is used exclusively by a public utility company in connection with the furnishing of public utility services to said property or for the Declarant's office.

Section 8.4. Set Backs and Minimum Dwelling Size. No building or structure shall be located on any lot nearer to the front lot line or nearer to the side street line than the minimum building set-back lines shown on the recorded plat. (Alterations or changes to the recorded building (set-back) lines, as shown on the recorded plat, can be made with the written consent of the Architectural Committee. Evidence of such change shall be filed for record in the office of the County Clerk of Oklahoma County, Oklahoma.) No building or structure shall be located nearer than 5 feet to a side lot line of any building site or 10 feet to the rear lot line, except where existing utility and/or drainage easements require a greater setback, unless waived by the Architectural Committee in writing. For the purpose of this covenant, eaves, steps, and open porches shall not be constructed to permit any portion of a building to encroach upon another lot. No detached garage (except appurtenant to the main residential structure) shall be permitted nearer than 15 feet to the front lot line.

- (a) No dwelling erected on any lot in said Addition shall contain less than 1650 square feet. All dwellings erected or placed on any lot shall be at least 60 percent brick veneer, stone, stucco, or masonry on the exterior of the ground floor except that the Architectural Committee may waive this requirement at their discretion. Said waiver must be in writing. The roofs of all dwellings shall be constructed utilizing a 30 year warranted, laminated, double layer, mid to heavy weight, shake-like shingle such as Elk Prestique or better and of a weather wood color.
- (b) All detached garages or outbuildings must have roofs constructed as provided in (a) above and have a minimum of 50 percent brick or stone veneer. No metal or tin will be permitted for use as a structural siding, unless approved in writing by the

Architectural Committee residence may be moved onto and/or placed on any of the above described lots or building sites, it being the intention of this covenant to definitely prohibit the moving onto and/or placing of an existing residential structure on any of the lots and/or blocks in said Addition, which without limiting the foregoing includes mobile homes.

- (c) No existing erected residence may be moved onto and/or placed on any of the above described lots or building sites, it being the intention of this covenant to definitely prohibit the moving onto and/or placing of an existing residential structure on any of the lots and/or blocks in said Addition, which without limiting the foregoing includes mobile homes, but shall not apply to Declarant's office.
- (d) Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of the utilities, or which may change directions of flow of drainage channels in the easements. The easement areas of each lot and all improvements in it shall be maintained continuously by the owner of the lot, except for those improvements for which a public authority or utility company is responsible. Drainage easements can be established at any time by the Architectural Committee as required for proper and adequate water run-off control in said Addition in any unsold lots.
- (e) No detached garage or other outbuildings shall be permitted in the easements reserved for utilities.
- (f) No business, trade, or activity except that necessary for the purchaser or sale of lots and homes within the Addition shall be carried on upon any residential lot. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.
- (g) No structure of temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding, shall be used on any lot at any time as a residence, either temporarily or permanently.
- (h) No sign of any kind shall be displayed to the public view on any lot except one twosided professional sign of not more than five square feet, per side, advertising the property for sale or rent, or signs used by the Declarant or a builder to advertise the property during construction and sales period.
- (i) No animals, livestock or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats, and household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose.

- (j) No lot as herein subdivided shall be re-subdivided to create a greater number of lots than originally platted; provided, however, that this shall not apply to the sale or exchange of small parcels of land to or between adjoining property owners, where such sale or exchange does not create additional lots.
- (k) No trash, ashes, or other refuse may be thrown, placed or dumped on any vacant lot in the Addition. No junk cars will be permitted.
- (l) All fences or walls of any type or nature whatsoever are to be approved by the Architectural Committee before construction. All fences must be located within or on appropriate lot lines.
- (m) No automobile, truck, trailer, recreational vehicle, boat, tent or temporary structure of any nature whatsoever shall ever be temporarily or permanently parked, located or otherwise maintained forward of the front building set-back or limit line on a lot, as same is shown as is shown on the recorded plat of KELLY LAKES ESTATES II, provided, however, that it is not the intention of this paragraph to exclude the temporary parking of passenger automobiles on any portion of the garage driveway that is located in front of such front building limit or set-back line on each building site. No junk automobiles, non-operative machinery or equipment shall be kept or stored on any portion of said lots. No recreational vehicle or boat shall be permanently stored on any lot. Automobiles and/or trucks containing large Company signs or logos not approved by the Architectural Committee shall not be left parked in driveways but be placed in garages.
- (n) Wind powered generators, windmill devices, and TV and radio receiving towers, dishes and stations will only be permitted after plans and location site have been submitted to and approved by the Architectural Committee in writing.
- (o) No owner of any lot or lots in this Addition shall demand or require the furnishing of electrical service through or from overhead wire facilities so long as electric service is available from an underground distribution system.
- (p) The Declarant hereby reserves and is granted the right and power to record a Special Amendment to the Declaration at any time and from time to time, which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veterans' Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities and/or (ii) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgage covering units. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to a Special Amendment on behalf of each owner. Each deed, mortgage, trust deed, or other evidence of obligation or

other instrument affecting a lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of the power of Declarant to make, execute and record Special Amendments. No Special Amendment made by Declarant shall affect or impair the lien of any first mortgage upon a lot or any warranties made by an owner or first mortgage in order to induce any of the above agencies or entities to make, purchase, insure or guarantee the first mortgage on such owner's lot.

- (q) The drilling of a water well on any lot and/or building site within the Addition is strictly prohibited since all water rights have been previously reserved, provided, however, the Association may use water from any lake on a common area owned by the Association to water any of the common areas maintained by the Association.
- (r) No boats, either sail or motor driven, rafts or any other kind of flotation devices of any kind shall be allowed on the Lake located on Common Area A, except in connection with the maintenance of any fountain or water feature located therein. Swimming and/or wading in the Lake is also prohibited.
- Should the owner and/or tenant of any lot or lots or building sites in KELLY (s) LAKES ESTATES II violate any of the restrictive covenants and/or conditions contained herein, and thereafter refuse to correct same and to abide by said restrictions and conditions contained herein, after reasonable notice, then in such event, any owner of any lot or building site in said Addition, may institute legal proceedings to enjoin, abate, and/or correct such violation or violations, and the owner of the lot or lots or building sites permitting the violation of such restrictions and/or conditions shall pay all attorney's fees, court costs, and other necessary expenses incurred by the person instituting such legal proceeding to maintain and enforce the aforesaid restrictions and conditions, and attorney's fees to be fixed by the Court, for the aforesaid violation or violations shall become a lien upon the land, as of the date legal proceedings were originally instituted, and said lien shall be subject to the foreclosure in such action, so brought to enforce such restrictions, in the action, in the same manner as liens upon real estate, the procedure as to which is fixed by statute.

ARTICLE IX

General Provisions

Section 9.1. <u>Duration</u>. The covenants and restrictions of this Declaration shall run with and bind the land, and shall enure to the benefit of and be enforceable by the Association, or the owner of any land subject to this Declaration, and their respective legal representatives, heirs, devisees, personal representatives, trustees, successors, and assigns, for a term of twenty-one (21) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive period of ten (10) years unless an instrument signed by the then owners of

seventy-five percent (75%) of the lots has been recorded, agreeing to change said covenants and restrictions in whole or in part; provided that no such agreement to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change, and unless written notice of the proposed agreement is sent to every owner at least ninety (90) days in advance of any action taken.

Section 9.2. Notices. Any notice required to be sent to any member or owner under the provisions of this Declaration shall be deemed to have been properly sent when deposited in the United States mails, postpaid, to the last known address of the person who appears as a member or owner on the records of the Association at the time of such mailing.

Section 9.3. Amendment. Any Amendment to this Declaration shall require the assent of at least 75% of the lot owners subject to this Declaration. Any Amendment shall be in writing and must be recorded.

Section 9.4 Assignment of Rights. Declarant hereby reserves and is granted the right to assign all of his rights hereunder.

IN WITNESS WHEREOF, THIS DECLARATION is executed by the undersigned owner this 13 day of December, 2013.

KELLY LAKES DEVELOPMENT, L.L.C.

By: TERRELL DEVELOPMENT CORP

MANAGER

STATE OF OKLAHOMA

)SS

COUNTY OF OKLAHOMA)

The foregoing was acknowledged before me this 1/3 day of December, 2013, by Donald G. Terrell, Vice President of Terrell Development Corp., Manager of Kelly Lakes Development, L.L.C., on behalf of said Limited Liability Company.

NOTARY PUBLIC

My Commission Expires:

20131218011741950 Filing Fee: \$43.00