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State of Oklahoma

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Oklahoma County Clerk

Carolynn Caudill

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR NORTHBROOKE, A RESIDENTIAL COMMUNITY TO THE CITY OF OKLAHOMA CITY, OKLAHOMA COUNTY, STATE OF OKLAHOMA.

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**DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR NORTHBROOKE,
A RESIDENTIAL COMMUNITY TO THE CITY OF OKLAHOMA CITY,
OKLAHOMA COUNTY, OKLAHOMA.**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made this 28 day of NOVEMBER, 2016, by Tradan Development, LLC, 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 Northbrooke as a quality residential community. Northbrooke Property Owners Association (the Association, or Northbrooke Association) is a homeowners association comprised of all owners of real property in Northbrooke.

The Northbrooke Association has the power under the Governing Documents to establish standards for conduct and activities for the property within Northbrooke. Another component of the Northbrooke development is the Design Review Board, which has jurisdiction over all matters of design review for all property within Northbrooke.

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 Northbrooke. This Declaration provides a flexible and reasonable procedure for future expansion of Northbrooke 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 Northbrooke. An integral part of the development plan is the creation of the Northbrooke Association, an association comprised of all owners of real property in Northbrooke, 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 and Term.

All property described in Exhibit "A" and any additional property which is made a part of Northbrooke 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 Northbrooke, their heirs, successors, successors-in-title, and assigns.

This Declaration shall remain in effect for a term of 40 years from the date it is Recorded. Declarant, the Association, any Owner and their respective legal representatives, heirs, successors, and assigns may enforce it. After such 40-year period, the Declaration's term shall automatically extend for successive 10-year periods unless 75% of the then Owners sign and Record, within the year preceding any extension, an instrument which terminates, add to, or amends, in whole, or in part, this Declaration.

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.

1.3 Governing Documents.

The Northbrooke Governing Documents create a general plan of development for Northbrooke which may be supplemented by additional covenants, restrictions, and easements applicable to the property within Northbrooke. In the event of a conflict between or among the Northbrooke Governing Documents and any such additional covenants or restrictions, and/or the provisions of any other articles of incorporation, By-Laws, 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 Northbrooke containing additional restrictions or more restrictive provisions. However, any Person who seeks to Record any instrument applicable to Northbrooke 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 the Northbrooke 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 the Northbrooke 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 the Northbrooke 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**": Northbrooke Property Owners 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 By-Laws. Unless otherwise specifically noted, any reference to the Board in this Declaration means the Northbrooke 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 Northbrooke for further subdivision, 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, including easements, which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners. Common Area shall include those portions on the Plat designated as Common Area. Common Area shall include for example and only if actually constructed walking trails, park and play areas and fishing ponds. Common Area shall also include those portions on the Plat designated as Private Drainage Easement and areas within rights of way to be landscaped and maintained by the Association, such as entry islands and medians to the Properties.
- 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 the Northbrooke 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 Unit Ownership Estate Act, 60 O.S. §501 et seq.
- 2.9 "**Declarant**": Tradan Development, LLC, 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 the immediately preceding Declarant.

2.10 "**Development Plan**": The land use plan for the development of Northbrooke approved by Oklahoma 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 "**Lot**": A portion of Northbrooke, whether improved or unimproved, which may be independently owned and is intended for development, use, and occupancy as an attached or detached residence for a single family. 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 building within a condominium or other structure containing multiple dwellings, each dwelling shall be deemed to be a separate Lot. 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 or condominium 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.

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

2.13 "**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.

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

2.15 "**Northbrooke Governing Documents**" or "**Governing Documents**": A collective term referring to this Declaration and any applicable Supplemental Declaration, the By-Laws of the Association, (the "By-Laws"), 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.

2.16 "**Northbrooke-Wide Standard**": The standard of conduct, maintenance, or other activity generally prevailing throughout Northbrooke. 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.

2.17 "**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.

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

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

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

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

2.22 "**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.

2.23 "**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 Northbrooke give the community its identity and make Northbrooke 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.

The Northbrooke Governing Documents establish, as part of the general plan of development for Northbrooke, a framework of affirmative and negative covenants, easements, and restrictions which govern Northbrooke. 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 Northbrooke, 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 Northbrooke, 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 By-Laws.

(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. Subject to Exhibit "C" section 4, no rule shall prohibit leasing or transfer of any Lot, or require consent of the Association or Board for leasing or transfer of any Lot; provided, the Association or the Board may require a minimum lease term of up to 12 months. 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 Northbrooke.

(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 Northbrooke. The Design Review Board may, however, delegate some of its powers or responsibilities, with respect to design review for Northbrooke 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 Northbrooke, 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 Northbrooke than that which is applicable to other portions of Northbrooke. 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 of all modifications to existing construction within Northbrooke, 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 exterior alterations of existing improvements or planting or removal of landscaping, 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 Northbrooke; 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:

Northbrooke Declarant
Attn: Architectural Application
1320 North Porter Ave.
Norman, Oklahoma 73071

Northbrooke Design Review Board
Attn: Architectural Application
1320 North Porter Ave.
Norman, Oklahoma 73071

Any change in the above notice addresses shall be given through a filing in the real property records of Oklahoma 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 the Northbrooke Governing Documents, Northbrooke-Wide 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 the Northbrooke 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 the Northbrooke-Wide 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 benefited 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 the Northbrooke-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

PART THREE: COMMUNITY GOVERNANCE AND ADMINISTRATION

The success of Northbrooke 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 Northbrooke.

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 the Northbrooke Governing Documents. The Association shall perform its functions in accordance with the Northbrooke 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 By-Laws, 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 By-Laws. Additional rights of the Class "B" Member are specified in the relevant sections of the Northbrooke 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 By-Laws.

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 By-Laws, 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; Limitation of Declarant Liability.

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 re-convey to Declarant any unimproved portions of Northbrooke originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make minor adjustments in property lines.

The Declarant shall not bear any responsibility for any damages caused by the existence of pipelines, oil or gas equipment, mold, or by some other agent, that may be associated with the Common Area real estate, improvements and construction, whether arising from a defect or otherwise, 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 the Northbrooke-Wide Standard and the business judgment rule, the Common Area, which shall include, but need not be limited to:

- (i) all portions of and structures situated upon the Common Area;
- (ii) landscaping within public rights-of-way within or abutting Northbrooke;
- (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) Except for areas located within a Lot, all areas located within Northbrooke which serve as part of the stormwater drainage system for Northbrooke, 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 the Northbrooke-Wide 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 otherwise provided, 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.

7.3.1 Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(1) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area to the extent that Association has assumed responsibility in the event of a casualty, regardless of ownership. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes;

(2) Commercial general liability insurance on the Common Area, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage (including primary and any umbrella coverage) shall have a limit of at least \$1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage; provided, should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(3) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(4) Directors and officers liability coverage;

(5) Commercial crime insurance, including fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's business judgment but not less than an amount equal to one-sixth of the annual Base Assessments on all Lots plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation; and

(6) Such additional insurance as the Board, in its business judgment, determines advisable.

Premiums for all insurance on the Common Area shall be Common Expenses

7.3.2 Policy Requirements. The Association shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the metropolitan Oklahoma City area. All Association policies shall provide for a certificate of insurance to be furnished to the Association and, upon request, to each Member insured.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 7.3.1. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with Section 3.24 of the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots as a Specific Assessment.

7.3.2.1 Additional Policy Requirements. All insurance coverage obtained by the Board, to the extent reasonably possible, shall:

(1) be written with a company authorized to do business in the State of Oklahoma which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(2) be written in the name of the Association as trustee for the benefited parties. Policies on the Common Areas shall be for the benefit of the Association and its Members;

(3) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(4) contain an inflation guard endorsement;

(5) include an agreed amount endorsement, if the policy contains a co-insurance clause;

(6) provide that each Owner is an insured person under the policy with respect to liability arising out of such Owner's interest in the Common Area as a Member in the Association (provided, this provision shall not be construed as giving an Owner any interest in the Common Area other than that of a Member);

(7) provide a waiver of subrogation under the policy against any Owner or household member of an Owner;

(8) include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any one or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure; and

(9) include an endorsement precluding cancellation, invalidation, or condition to recovery under the policy on account of any act or omission of any one or more individual Owners, unless such Owner is acting within the scope of its authority on behalf of the Association.

7.3.2.2 Desirable Policy Components. In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(1) a waiver of subrogation as to any claims against the Association's Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(2) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(3) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(4) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(5) a cross liability provision; and

(6) a provision vesting in the Board exclusive authority to adjust losses; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

7.3.3 Restoring Damaged Improvements. In the event of damage to or destruction of Common Area or other property which the Association is obligated to insure, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements

necessitated by changes in applicable building codes.

Damaged improvements on the Common Area shall be repaired or reconstructed unless the Members representing at least 75% of the total Class "A" votes in the Association, and the Class "B" Member, if any, decide within 60 days after the loss not to repair or reconstruct. If either the insurance proceeds or estimates of the loss, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If a decision is made not to restore the damaged improvements, and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive landscaped condition consistent with the Northbrooke-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by the Association for the benefit of its Members, and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Lot.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 7.3.1.

7.4 Compliance and Enforcement.

Every Owner and occupant of a Lot shall comply with the Northbrooke Governing Documents. The Board may impose sanctions for violation of the Northbrooke Governing Documents after notice and a hearing in accordance with the procedures set forth in Section 3.24 of the By-Laws. 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 the Northbrooke 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 self-help or taking action to abate any violation of the Northbrooke Governing Documents in a non-emergency 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 Northbrooke; and

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

In addition, the Board may take the following enforcement procedures to ensure compliance with the Northbrooke Governing Documents without the necessity of compliance with the procedures set forth in Section 3.24 of the By-Laws; exercising self-help 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 the Northbrooke Governing Documents shall be cumulative of any remedies available at law or in equity. In any action to enforce the Northbrooke 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 Oklahoma County or the

City of Oklahoma City to enforce ordinances within the 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 the Northbrooke 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 the Northbrooke Governing Documents.

7.5 Implied Rights; Board Authority.

The Association may exercise any right or privilege expressly given to the Association by the Northbrooke Governing Documents, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in the Northbrooke 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 Northbrooke designed to enhance the security of Northbrooke. Neither the

Association nor Declarant are insurers or guarantors of security at Northbrooke, 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 Northbrooke, 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 or guarantors of health or safety and that each Person at Northbrooke 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.

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 By-Laws, 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. Any such Special Assessment may be levied against the entire membership. The Association shall levy any Special Assessment in accordance with the formula set forth in Exhibit "E." 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 the Northbrooke 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; 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 By-Laws, 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 the Northbrooke 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 Northbrooke, is deemed to covenant and agree to pay all assessments authorized in the Northbrooke 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 non-use 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 set-off 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 City of Oklahoma City 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 non-dedicated 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 any 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 Oklahoma City, 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 Specific Assessments, and Reserve Assessments.

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 Northbrooke and to accommodate changes in the Development Plan which inevitably occur as Northbrooke grows and matures.

Section 9 Expansion of Northbrooke

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 Northbrooke 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 Northbrooke 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. If the property is owned by someone other than Declarant, then the consent of the Owner(s) shall be necessary and shall be evidenced by their execution of the Supplemental 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.

9.5 Condominium Conversions.

In the event that any property now or hereafter subjected to the Declaration and located within the property described in Exhibits "A" or "B " is converted to a condominium, the owner of such property, subject to Declarant's approval requirements below, shall, subject such property to the provisions of this Declaration by Recording a Supplemental Declaration describing the property and specifically subjecting it to the terms of this Declaration. Such Supplemental Declaration shall not require the consent of the Association but shall require the signature of an officer of the Association acknowledging it. In addition, Declarant's prior written consent shall be necessary so long as Declarant owns any property described in Exhibits "A" or "B." Thereafter, each condominium unit within the condominium shall be treated in all respects as a

Lot.

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 this Declaration any portion of Northbrooke which has not yet been improved with a residential dwelling structure. Such amendment shall not require the consent of any Person other than the Owner(s) of the property to be withdrawn, if such Owner is not Declarant. If the property is Common Area, the Declarant may unilaterally 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 Northbrooke acknowledges that Northbrooke 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 Northbrooke.

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 By-Laws 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 By-Laws. 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 "Northbrooke" 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 "Northbrooke" in printed or promotional matter where such term is used solely to specify that particular property is located at Northbrooke and the Association shall be entitled to use the words "Northbrooke" 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) The Northbrooke Governing Documents and any other applicable covenants;
- (2) Any restrictions or limitations contained in any recorded instrument or 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 the Northbrooke Governing Documents after notice and a hearing pursuant to Section 3.24 of the By-Laws;

(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 Northbrooke-Wide 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 Northbrooke. 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 to the extent any exist, 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 respective 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 it may deem appropriate, whether in favor of any governmental entity, including Oklahoma County and the City of Oklahoma City, 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 non-exclusive 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.

(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.

Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of their actions in connection with development of such property. In the event of any such damage to the property, whether to natural conditions or structures and regardless of whether such damage is the result of negligent, willful, or any other type of action, Declarant or its successors or assigns, whichever is appropriate, shall repair such property and shall restore it to the condition which existed prior to the occurrence of the damage or to the condition any governmental entity having jurisdiction requires, whichever standard is stricter. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof benefiting from such easement is not made subject to this Declaration, Declarant, its successors or assigns shall enter into a reasonable agreement with the Association to share the cost of any maintenance which the Association provides to or along any roadway providing access to such property.

11.5 Easements for Maintenance, Emergency and Enforcement.

Declarant reserves to itself and grants to the Association easements over Northbrooke 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 the Northbrooke 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 the Northbrooke-Wide 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 Northbrooke-Wide Standard.

Declarant, the Association, and their successors, assigns and designees shall have an access easement over and across any of Northbrooke 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 Northbrooke, 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.

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 Northbrooke, 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 Northbrooke, 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 Northbrooke 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 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 Association to enforce the Northbrooke 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 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 Northbrooke or any improvement constructed upon Northbrooke, 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 Northbrooke, including any improvement as to which a defect is alleged. 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 pre-litigation 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 non-complying Party (or if more than one non-complying 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 Mortgagee 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 By-Laws, notwithstanding any other provisions contained therein.

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 the Northbrooke 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 Failure of Mortgagee To Respond.

Any Mortgagee who receives a written request from the 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.

Section 14 Relationship with City of Oklahoma City, Oklahoma County, 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 Oklahoma City, Oklahoma County, media, and members of the public. The responsibilities of such Person shall include, without limitation, communicating with the City of Oklahoma City 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 Northbrooke 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. Northbrooke and the Northbrooke Governing Documents must be able to adapt to these changes while protecting the special features of Northbrooke that make Northbrooke 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 for 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 Oklahoma County, Oklahoma, the City of Oklahoma City, or to any other local, state, or federal governmental or quasi-governmental 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, 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.

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 By-Laws, 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.

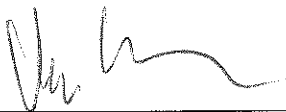
17.4 Exhibits.

The Exhibits "A," "B," and "E" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by this Section. All other exhibits are attached for informational purposes (not to minimize their enforceability) and may 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 Northbrooke Declaration and attached Exhibits the date and year first written above on the signature blocks below.

TRADAN DEVELOPMENT, LLC, - DECLARANT

An Oklahoma limited liability company

By: 
_____ **Managing Member**

