

MAYBERRY II - Covenants, etc.

COVENANTS, CONDITIONS, RESTRICTIONS AND RECIPROCAL EASEMENTS OF

WESTLAKE BLOCKS 23 & 24 A REAL ESTATE DEVELOPMENT

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Carolynn Caudill
Oklahoma County Clerk
RECORDED AND FILED

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, (hereinafter "Developer"), states:

A. Developer is the owner of certain real estate located in the City of Oklahoma City, Oklahoma County, Oklahoma, more particularly described on Exhibit "A" attached hereto and made a part hereof, now platted into blocks, lots, streets and easements as shown on the Plat thereof, recorded in Book 57 of Plats, at Page 54, of the records of Oklahoma County, State of Oklahoma. The property on Exhibit "A" shall be referred to herein as the "property".

B. Developer expressly declares its intention to bring the Planned Unit Development herein within the provisions of 60 O.S. §851 through 855, inclusive, as a Real Estate Development in order to insure the management, maintenance, preservation and control of commonly owned areas or any portion of or interest in them and to enforce all mutual, common or reciprocal interests in or restrictions upon all portions of such separately owned lots, parcels or areas, or both.

C. The project may be referred to as Westlake Blocks 23 & 24. The owner of each separately owned lot, parcel or area shall receive title not only to it but to an undivided interest in the common elements in the ratio expressed herein.

D. Developer further expressly states that the project shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold and improved, subject to the following Covenants, Conditions and Restrictions, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property and the project, and every part thereof, for the benefit of the Developer and its successors in title and it shall be incumbent upon the successors in title to adhere thereto; and any person or persons, corporation or corporations hereafter becoming the owner or owners, either directly or through any subsequent transfers or in any manner whatsoever, of any such lots, parcels or areas shall take, hold and convey same, subject to the Covenants, Conditions and Restrictions herein. It is understood that all of the area in the Real Estate Development shown on the Plat attached hereto which is not a separately owned lot, parcel or area shall be owned in common by the owners of the separately owned lots, parcels or areas, except streets and parcels dedicated to the public.

ARTICLE 1

DEFINITIONS

1.1 "Assessments" shall mean that portion of the cost of maintaining, improving, repairing, operating and managing the property which is to be paid by each separate owner as determined by the Owners' Association.

1.2 "Board" or "Board of Managers" shall mean and refer to the form of administration specified in the "By-Laws".

1.3 "By-Laws" shall mean and refer to the By-Laws governing the administration of the Property, attached hereto, as amended from time to time.

1.4 "Commons Elements" mean and include:

1.4.1 All of the area shown on the Plat attached hereto as Exhibit "A" not included in a lot to be separately owned;

1.4.2 The private street, gates, landscaping, park, water detention pond or tank, utilities in common areas or elements, water sprinkler system, lamps and posts, all of the foregoing being included whether or not graphically shown on Exhibit "A" hereto; and

1.4.3 All boundary fences, whether within or without a lot;

1.4.4. Items agreed upon as common by all the separate owners.

1.5 "Common expenses" mean and include:

1.5.1 Expenses of administration, maintenance, repair or replacement of the common elements;

1.5.2 Expenses agreed upon as common by all the separate owners;

1.5.3 Expenses declared common by the provisions of the By-Laws;

1.6 "Common interests" shall mean the proportion of undivided interest in the common elements which is appurtenant to each separately owned lot described on the Plat, Exhibit "A".

1.7 "Common profit" means the balance of all income, rents, profits and revenues from the common elements and facilities remaining after the deduction of the common expenses.

1.8 "Institutional lender" shall mean any bank, savings and loan association, insurance company or other financial institution holding a recorded first mortgage on any lot.

1.9 "Majority Owners" means the owners of more than fifty percent (50%) of the aggregate interest in the common elements. Any specified percentage of owners means such percentage in the aggregate of such undivided ownership.

1.10 "Member" shall mean and refer to an owner.

1.11 "Mortgage" shall include a deed of trust as well as a mortgage.

1.12 "Mortgagee" shall include the beneficiary or a holder of a deed of trust as well as a mortgagee.

1.13 "Mortgagor" shall include the trustor of a deed of trust as well as mortgagor.

1.14 "Owner" or "Owners" shall mean and refer to the record holder or holders of title to any separate lot in the Property. This shall exclude persons or entities having any interest merely as a security for the performance of any obligation.

1.15 "Owners' Association" means the unincorporated association composed of all of the separate owners of the lots in the Plat.

1.16 "Person" means a natural person, a corporation, a partnership, a trustee or other legal entity.

1.17 "Plat" shall mean the recorded Plat filed pursuant to the Real Estate Development, recorded in the office of the County Clerk.

1.18 "Project" shall mean and refer to the entire Property including all structures and improvements erected or to be erected thereon.

1.19 "Project documents" means and includes these Covenants, Conditions and Restrictions as same may be amended from time to time, the exhibits attached hereto, the Plat and By-Laws of the Owners' Association and the rules and regulations for the members as established from time to time.

1.20 "Property" means and includes the land, whether leasehold or fee simple, the buildings, all improvements and structures thereon and all street, easements, rights and appurtenances belonging thereto.

ARTICLE 2

DESCRIPTION OF PROJECT, DIVISION OF PROPERTY AND CREATION OF PROPERTY RIGHTS

2.1 Description of Project.

The description of the lots and blocks and the dimensions, area and location of common elements affording access to each lot and other common elements are graphically shown on the Plat attached hereto and marked Exhibit "A".

2.2 Division of Property.

The Property is hereby divided into the following separate freehold estates:

2.2.1 Lots.

The lot designation and the statement of its location and immediate area to which it has access and any other data necessary for its proper identification including its proportionate interest in the common elements are graphically shown on the Plat attached hereto and marked Exhibit "A".

2.2.2 Common Elements.

The remaining portion of the Property, referred to herein as "common elements", shall include all of the additional contiguous or non-contiguous areas owned in common by the owners of the separately owned lots, parcels or areas likewise graphically shown on Exhibit "A" hereto, and as described, but not limited to those in Article 1, Section 1.4, above. Each owner of each separate lot shall have, as appurtenant to his lot, an undivided $\frac{1}{66}^{th}$ interest in the common areas as set forth in Exhibit "A" attached hereto and incorporated by reference. Ownership in the property shall include a lot and such undivided interest in the common elements. The common interest appurtenant to each lot is declared to be permanent in character and cannot be altered without the consent of the owners affected, and the first mortgagees of such owners as expressed in amended Covenants, Conditions and Restrictions duly recorded. Such common interest cannot be separated from the lot to which it is appurtenant. Each lot owner may use the common elements in accordance with the purposes for which it is intended without hindering the exercise of or encroachment upon the rights of any other lot owner.

2.3 No Separate Conveyance of Undivided Interest.

The foregoing interests and exclusive easements herein are hereby established and are to be conveyed only with the respective lots and cannot be changed, except as herein set forth.

The Developer herein, its successors, assigns and grantees, covenant and agree that the undivided interests in the common elements, the exclusive easements of the common elements, the fee simple title to the respective lots conveyed herewith shall not be separately conveyed and each such undivided interest and exclusive easement shall be deemed to be conveyed or encumbered with its respective lot even though the description in the instrument of conveyance or encumbrance may refer only to the fee simple title to the lot.

2.4 Partition Prohibited.

The common elements shall remain undivided and no lot owner shall bring any action for partition or division of any part thereof except as specifically permitted by law.

ARTICLE 3

OWNERS' ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

3.1 Owners' Association to Manage Property.

The administration of every Property shall be governed by the By-Laws, a true copy of which shall be annexed hereto. Each owner shall comply strictly with the By-Laws and with the administrative rules and regulations adopted pursuant thereto as either of the same may be lawfully amended from time to time and with the Covenants, Conditions and Restrictions set forth either herein or in the deed to his lot.

3.2 Membership.

The Owners' Association shall be composed of all of the owners of separate lots as same are hereinabove described. Membership in said Owners' Association shall be deemed conveyed or encumbered with the lot even though such interest is not expressly mentioned or conveyed in the conveyance or other instrument.

3.3 Voting.

The proportionate representation for voting purposes in meetings of the Owners' Association shall be the ratio of the undivided interest of each lot owner in the common elements as expressed in Exhibit "A" hereto, i.e. one (1) vote per lot.

3.4 Membership Meetings.

Regular and special meetings of the Owners' Association shall be held with the frequency, at the time and place and in accordance with the provisions of the By-Laws herein.

3.5 Board of Managers.

The affairs of the Owners' Association shall be managed by a Board of Managers, which is hereby established by the annexed By-Laws, and which shall conduct regular and special meetings according to the provisions of the By-Laws.

ARTICLE 4

MAINTENANCE AND ASSESSMENTS

4.1 Creation of the Lien and Personal Obligation of Assessments.

The Developer, for each lot owner within the project, hereby covenants and each lot owner of the separately owned lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Owners' Association, or a duly authorized agent thereof (collectively referred to as "Owners' Association"): (1) regular annual assessments or charges and (2) special assessments for capital improvements and unexpected expenses, such assessments to be established and collected as provided herein and in the By-Laws. The annual and special assessments, together with interest, costs and reasonable attorneys' fees, shall be a charge and a continuing lien upon the lot against which each assessment is made, the lien to become effective upon recordation of a notice of assessment. Each such assessment, together with interest, costs and reasonable attorneys' fees, shall also be a personal obligation of the person who is the owner of such separate lot at the time when the assessment fell due. No owner of any separate lot may exempt himself from liability for his contribution toward the common elements by waiver of the use of enjoyment of any of the common elements or by the abandonment of his separate lot.

4.2 Purpose of Assessments.

The assessments levied by the Owners' Association shall be used exclusively to promote the recreation, health, safety and welfare of all the residents in the entire project for the improvement and maintenance of the common elements for the common good of the project. Annual assessments shall include an adequate reserve fund for maintenance, repairs and replacement of the said common elements.

4.3 Annual Assessments.

Until more than fifty percent (50%) of the lots have been sold, the Developer will be responsible for and pay all costs of maintenance of the common elements. Thereafter, the maximum annual assessments per lot shall be such amount as set forth in the project budget approved by the Board of Managers, which amount

shall be prorated based on the number of months remaining before January 1 of such year. Thereafter, the Board shall determine and fix the amount of the maximum annual assessment against each lot at least sixty (60) days in advance of each annual assessment.

4.4 Special Assessment.

In addition to the regular annual assessments authorized above, the Board may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement related to common elements, including fixtures and personal property related thereto, or to defray any unanticipated or underestimated expenses normally covered by a regular assessment (and, where necessary, for taxes assessed against the common elements). Special assessments may also be levied against any individual lot and its owner to reimburse the Owners's Association for costs incurred in bringing that owner and his lot into compliance with the provisions of this document and the By-Laws.

4.5 Allocation of Assessments.

Each lot shall bear such fractional share of each aggregate regular and special assessment as corresponds to the fractional undivided interest in the common elements appurtenant to the said separate lot (such interest being set forth on Exhibit "A"). Additionally, special assessments may be levied against individual lots for disciplinary reasons as provided in the preceding Sub-Article.

4.6 Date of Commencement of Annual Assessment; Due Dates.

The regular annual assessments provided for herein shall commence as to all lots in the project thereof on the 30th day following the sale of at least fifty percent (50%) of the lots in said plat. Due dates of assessments shall be established by the Board and notice shall be given to each lot owner at least thirty (30) days prior to any due date.

4.7 Transfer of Lot by Sale or Foreclosure.

Sale or transfer of any lot shall not affect the assessment lien; however, the sale or transfer of any lot pursuant to mortgage foreclosure shall extinguish the lien of such assessment as to payments which become due prior to such sale or transfer (except for assessment liens recorded prior to the mortgage). No sale or transfer shall relieve such lot owner from liability for any assessments thereafter becoming due or from the lien thereof. Where the mortgagee of a first mortgage of record obtains title to a lot as a result of foreclosure of any such first mortgage, such mortgagee shall not be liable for the share of the

common expenses or assessments by the Owners' Association chargeable to such lot which became due prior to the acquisition of title to such lot by such mortgagee. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible for all of the lots including such mortgagee. In a voluntary conveyance of a lot, the grantee of the same shall be jointly and severally liable with the grantor for all unpaid assessments by the Owners' Association against the latter for his share of the common expenses up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; however, any such grantee shall be entitled to a statement from the Owners' Association setting forth the amount of the unpaid assessments due the Owners' Association and such grantee shall not be liable for, nor shall the lot be subject to a lien for, any unpaid assessments made by the Owners' Association against the grantor in excess of the amount set forth in the statement; provided, however, the grantee shall be liable for any such assessment becoming due after the date of any such statement.

4.8 Enforcement of Assessment Obligation; Priorities, Discipline.

Any part of any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of ten percent (10%) per annum from the due date until paid. When a notice of assessment has been recorded, such assessment shall constitute a lien on each respective lot prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which by law, would be superior thereto and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deed of trust with first priority over other mortgages or deeds of trust) made in good faith and for value. Such lien, when delinquent, may be enforced by sale by the Owners' Association, its attorney or other person authorized by this document or by law to make the sale after failure of the owner to pay such assessment. The Owners' Association, acting on behalf of the lot owners, shall have the power to bid for the lot at the foreclosure sale and acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses, rent and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same. The Board may impose reasonable monetary penalties against a lot owner who is in default in payment of any assessment, after notice and hearing according to the By-Laws.

4.9 Unallocated Taxes.

In the event that any taxes are assessed against the common elements or the personal property of the Owners' Association, rather than against the lots, said taxes shall be included in the assessments made under the provisions of this

Article and, if necessary, a special assessment may be levied against the lots in an amount equal to said taxes to be paid in two installments thirty (30) days prior to the due date of each tax installment.

ARTICLE 5

DUTIES AND POWERS OF THE OWNERS' ASSOCIATION AND BOARD.

5.1 Duties and Powers of the Owners' Association.

The duties and powers of the Owners' Association shall be as required by 60 O.S. §851 through 855, inclusive, as same presently exist or may be hereafter amended relative to Real Estate Development.

5.2 Duties and Powers of the Board.

In addition to the duties and powers enumerated in the By-Laws or elsewhere provided for herein and without limiting the generality thereof and consistent with Article 3, Paragraph 3.5, herein, the Board may enforce the covenants and restrictions of the Real Estate Development specified herein and shall:

5.2.1 Maintain, repair, replace, restore, operate and manage all of the common elements and all facilities, improvements, furnishings, equipment and landscaping thereon and property that may be acquired by the Owners' Association. This obligation shall not extend to the maintenance of any portion or facility of the common elements required to be maintained by an individual owner under this document or the By-Laws.

5.2.2 Enforce the provisions of this document by appropriate means including, without limitation, the expenditures of funds of the Owners' Association, the employment of legal counsel and the commencement of actions.

5.2.3 Maintain such policy or policies of insurance as are required by this document or as the Board deems necessary or desirable in furthering the purposes of and protecting the interests of the Owners' Association.

5.2.4 Grant and reserve easements where necessary for utilities and sewer facilities over the common elements to serve the common elements and the lots.

5.2.5 Have the authority to employ a manager or other persons and to contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Owners' Association, subject to the By-Laws and restrictions imposed by any governmental or quasi-governmental body or agency having jurisdiction over the project.

5.2.6 Adopt reasonable rules not inconsistent with this document or the By-Laws relating to the use of the common elements and all facilities thereon and the conduct of owners and their tenants and guests with respect to the Property and other owners.

5.3 Maintenance of Project by Board.

The Board shall provide maintenance of the project as provided in the By-Laws. The responsibility of the Board for maintenance and repair shall not extend to repair or replacement arising out of or caused by the willful or negligent act or neglect of an owner or his guests, tenants or invitees. The repair or replacement of any portion of the common elements resulting from such excluded items shall be the responsibility of each owner; provided, however, that, if an owner shall fail to make the repairs or replacements which are the responsibility of such owner, the Board shall have the right (but not the obligation) to make such repairs or replacements and the cost thereof shall be added to the assessments chargeable to such lot and shall be payable to the Owners' Association by the owner of such lot.

ARTICLE 6

UTILITIES

6.1 Owners' Rights and Duties.

The rights and duties of the owners of lots within the project with respect to utilities shall be as follows:

6.1.1 The sanitary sewer, water, electric, gas, television receiving or telephone lines or connections and other services generally referred to as "utilities" are not deemed common elements herein.

6.1.2 Whenever sanitary sewer, water, electric, gas, television receiving or telephone lines or connections are located or installed within the project, which connections serve more than one lot, the owner of each lot served by said connections shall be entitled to the full use and enjoyment of such portions of said connections as service his lot.

6.1.3 In the event of a dispute between owners with respect to the repair or rebuilding of said connections or with respect to the share of the cost thereof, then, upon written request of one of such owners addressed to the Owners' Association, the matter shall be submitted to the Board, which shall decide the dispute, and the decision of the Board shall be final and conclusive on the parties.

6.2 Easements for Utilities and Maintenance.

Easements over and under the Property for the installation, repair and maintenance of sanitary sewer, water, electric, gas and telephone lines and facilities, heating and air conditioning facilities, cable or master television antenna lines, drainage facilities, walkways and landscaping as shown on the Plat of the Property and as may be hereafter required or needed to service the Property are hereby reserved by Developer and its successors and assigns, including the Owners' Association, together with its right to grant and transfer the same.

6.3 Owners' Association's Duties.

The Owners' Association shall maintain all utility installations located in the common elements except for those installations maintained by utility companies, public, private or municipal. The Owners' Association shall pay all charges for utilities supplied to the project except those metered or charged separately to the lots.

ARTICLE 7

USE RESTRICTIONS

In addition to all of the covenants contained herein, the use of the Property and each lot therein is subject to the following:

7.1 Nuisances.

No noxious, illegal or offensive activities shall be carried on in any lot, or in part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of each of the owners of his respective lot or which shall in any way increase the rate of insurance for the project or cause any insurance policy to be cancelled or to cause a refusal to renew the same, or which will impair the structural integrity of any building.

7.2 Vehicle Restrictions.

No trailer, camper, mobile home, commercial vehicle, truck (other than a standard size pickup truck), inoperable automobile, boat or similar equipment shall be permitted to remain upon any area within the Property, other than temporarily. Commercial vehicles shall not include sedans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board. No noisy or smoky vehicles shall be operated on the Property. No off-road unlicensed motor vehicles shall be

maintained or operated upon the Property, except as reasonably necessary to the execution of the rights or duties of the Board under these Covenants, Conditions and Restrictions.

7.3 Signs.

No signs shall be displayed to the public view on any lots or on any portion of the Property except such signs as are approved by the Board of committee appointed by the Board. The Board shall designate a location or locations within the common elements in which "For Sale" or "For Rent" signs approved by the Board as to size and content may be displayed.

7.4 Garbage and Refuse Disposal.

All rubbish, trash and garbage shall be regularly removed from the Property and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers.

7.5 Radio and Television Antennas.

No alteration to or modification of a central radio or television antenna system or cable television system, whichever is applicable, shall be permitted and no owner may be permitted to construct, use or operate his own external radio or television antenna without the consent of the Board.

2:00 - 14th

7.6 Power Equipment and Car Maintenance.

No power equipment, workshops or car maintenance shall be permitted on the Property except with prior written approval of the Board. Approval shall not be unreasonably withheld and, in deciding whether to grant approval, the Board shall consider the effects of the noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception and similar objections.

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7.7 Liability of Owners for Damage to Common Elements.

The owner of each lot shall be liable to the Board for all damages to the common elements or improvements thereon caused by such owner or any occupant of his lot or guest.

7.8 Minimum Residence Construction Requirement

No resident shall:

- (i) be less than 1400 square feet, excluding garage and out buildings;
- (ii) be constructed with less than 70% of its exterior composed of brick; and,

(iii) be roofed with any shingle having a weight of less than 240 pounds per square of such shingling material.

7.9 No Warranty of Enforceability.

The maker hereof has no reason to believe that any of the restrictive covenants in this Article 7 or elsewhere in these Covenants, Conditions and Restrictions are or may be invalid or unenforceable for any reason or to any extent, it makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any owner acquiring a lot in the project in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and, by acquiring the lot, agrees to hold the maker hereof harmless therefrom.

ARTICLE 8

GENERAL PROVISIONS

8.1 Enforcement.

The Owners' Association, any owner and any governmental or quasi-governmental agency or municipality having jurisdiction over the project shall have the right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by this document and, in such action, shall be entitled to recover costs and reasonable attorneys' fees as are ordered by the Court; provided, however, that an individual owner shall have no right to enforce the collection of any assessment levied against any other owner under Article 4 above. Failure by any such person or entity to enforce any such provision shall in no event be deemed a waiver of the right to do so thereafter.

8.2 Invalidity of Any Provision.

Should any provision of this document be declared invalid or in conflict with any law of the jurisdiction where the project is situated, the validity of all other provisions shall remain unaffected and in full force and effect.

8.3 Amendments.

8.3.1 To the extent not inconsistent with 60 O.S. §851, et seq., as same is now or may hereafter be amended, an amendment of the Covenants, Conditions and Restrictions herein may be enacted by the vote or written assent of a majority of the lot owners; provided, however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for an action to be taken under that clause. Any amendment must be

recorded and shall become effective upon being recorded in the office of the County Clerk of Oklahoma County, Oklahoma.

8.4 Mortgage Protection Clause.

8.4.1 Rights of First Mortgagees.

No breach of any of the Covenants, Conditions and Restrictions contained in this document, nor the enforcement of any lien provisions herein, shall render invalid the lien of any first mortgage (meaning a mortgage with first priority over any other mortgage) on any lot made in good faith and for value, but all of said Covenants, Conditions, and Restrictions shall be binding upon and be effective against any owner whose title is derived through foreclosure of trustee's sale or otherwise.

8.4.2 Mortgage Priority; Right to Inspect Records.

Notwithstanding any language contained in this document to the contrary, no lot owner and no other party shall have priority over any rights of institutional lenders pursuant to their mortgages in the case of a distribution to lot owners of insurance proceeds or condemnation awards for losses to or taking of lots and/or any portion or element of the common elements. Institutional lenders shall have the right to examine the books and records of the Owners' Association.

8.5 Insurance.

The Owners' Association shall obtain and continue in effect comprehensive public liability insurance insuring the Owners' Association, the Developer and the agents and employees of each and the owners and employees, guests and invitees of the owners against any liability incident to the ownership or use of the common elements and facilities in the common elements and including, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured and a "severability of interest" endorsement precluding the insurer from denying coverage to one owner because of the negligence of other owners or to the Owners' Association.

8.5.1. Insurance Premiums.

Insurance premiums on policies purchased by the Owners' Association shall be a common expense to be included in the assessments levied by the Owners' Association. The acquisition of insurance by the Owners' Association shall be without prejudice to the right of any lot owners to obtain additional individual insurance.

8.6 Owners' Compliance.

Each owner, tenant or occupant of a lot shall comply with the provisions of the project documents and all decisions and resolutions of the Owners' Association or its duly authorized representatives, and failure to comply with any such provisions, decisions or resolutions shall be grounds for an action to recover sums due for damages (including costs and attorney's fees) and/or for injunctive relief. All agreements and determinations lawfully made by the Owners' Association in accordance with the voting percentages established in this document or in the By-Laws shall be deemed to be binding on all owners of lots, their successors and assigns.

8.7 Limitation of Restrictions on Developer.

Developer is undertaking certain work in connection with the improvement of the lots. The completion of that work and the sale, rental and other disposal of said lots is essential to the establishment and welfare of the Property. In order that said work may be completed and said Property be established as fully occupied as rapidly as possible, nothing in these Covenants, Conditions and Restrictions shall be understood or construed to:

8.7.1 Prevent Developer, its contractors or subcontractors from doing on the Property or any lot whatever is reasonably necessary or advisable in connection with the completion of the work; or

8.7.2 Prevent Developer or its representatives from erecting, constructing and maintaining on any part or parts of the Property such structures as may be reasonable and necessary for the conduct of its business of completing said work and disposing of the same in parcels by sale, lease or otherwise; or

8.7.3 Prevent Developer from conducting on any part of the Property its business of completing the work and of establishing a plan of lot ownership and of disposing of said Property in lots by sale, lease or otherwise; or

8.7.4 Prevent Developer, its contractors, subcontractors, materialmen or supplier from having free and ready access to the Project for purposes of completing the total development and erection of improvements on same.

So long as Developer, its successors and assigns, owns one or more of the lots established and described in these Covenants, Conditions and Restrictions and, except as otherwise specifically provided herein, Developer, its successors and assigns, shall be subject to the provisions of its successors and assigns, shall be subject to the provisions of these Covenants, Conditions and Restrictions.

8.8 Conflict of Project Documents.

If there is any conflicts among or between the project documents, the provisions of these Covenants, Conditions and Restrictions shall prevail; thereafter, priority shall be given to project documents in the following order: Plat, By-Laws, and rules and regulations of the Owners' Association.

8.9 Service of Process.

The name of the person to receive service of process together with the residence or place of business of such person in Oklahoma County is William J. Robinson, 5001 Colcord Building, 15 North Robinson, Oklahoma City, Oklahoma 73102, or such other person as the Board may designate by an amendment hereto filed solely for that purpose.

IN WITNESS WHEREOF, the undersigned have executed this document this 28 day of May, 1997.

INVESTMENT PROPERTY SPECIALISTS, INC., a corporation

By: [Signature] President

BELL CORPORATION, INC., a corporation

By: [Signature] President

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on the 28 day of May, 1997, by Kermit P. Schafer, Jr., as President of Investment Property Specialists, Inc.

[Signature]
Notary Public

My Commission Expires:

May 11, 1999

[SEAL]

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on the 28 day
of May, 1997, by Garland Bell, as President
of Bell Corporation, Inc.

Kimberly K. Timmons
Notary Public

My Commission Expires:

May 11, 1999
[SEAL]

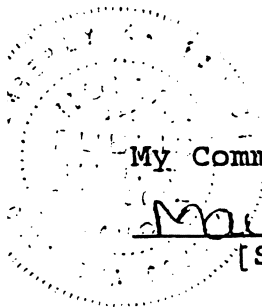


EXHIBIT B

BY-LAWS
WESTLAKE, BLOCKS 23 & 24
(A REAL ESTATE DEVELOPMENT)

ARTICLE 1

NAME AND LOCATION

The name of this Real Estate Development is Westlake Blocks 23 & 24.

ARTICLE 2

PURPOSE AND PARTIES

2.1 The administration of every property described in Exhibit "a" of the Covenants, Conditions and Restrictions of which these are a part which has been submitted to the provisions of 60 Okla. Stat. §§851 through 855, inclusive, by the recording of said Covenants, Conditions and Restrictions and the Exhibits thereto, including a true and correct copy of the By-Laws. All definitions and terms contained in said Covenants, Conditions and Restrictions shall apply hereto and are incorporated herein by reference.

2.2. All present and future owners, future tenants of any lot, mortgagees and other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Covenants, Conditions and Restrictions, the rules and regulations, all covenants, conditions and restrictions, agreements and easements relating thereto. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a lot shall constitute an agreement that these By-Laws, the Covenants, Conditions and Restrictions, as they may be amended from time to time, and the title conditions are accepted and will be complied with.

ARTICLE 3

LOT OWNERS

3.1 Membership.

Any person on becoming a owner of a lot shall automatically become a member of Westlake Blocks 23 & 24 Owners' Association and be subject to these By-Laws. Such membership shall terminate without any formal Owners' Association action whenever such person ceases to own a lot, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with this Owners' Association during the period of such ownership and membership in

this Owners' Association or impair any rights or remedies which the owners have either through the Board of Managers of the Owners' Association or directly against such former owner or member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto. The membership shall be deemed, conveyed or encumbered with the lot even when such interest is not expressly mentioned or described in the conveyance or other instrument.

3.2 Annual Meetings.

Regular annual meetings of members of the Owners' Association shall be held on the project or such other suitable place convenient to the members as may be designated by the Board. The first meeting of the Owners' Association shall be held within forty-five (45) days after the close of the sale of sufficient lots to constitute a majority of lot owners calculated without the consideration of the interest owned by the Developer but, in no event, shall the first meeting be held later than the earlier of (i) four months after seventy-five percent (75%) of the lots in the project have been conveyed to lot purchasers or (ii) three years after the first lot is conveyed.

3.3 Special Meetings.

A special meeting of members of the Owners' Association shall be promptly called by the Board upon the vote for such a meeting by a majority of a quorum of the Board or upon receipt of a written request therefor signed by members representing twenty-five percent (25%) of the total voting power of the Owners' Association or by members representing fifteen percent (15%) of the voting power residing in members other than Developer.

3.4 Notice of Meetings.

Written notice of regular and special meetings shall be given to members by the Board by mailing a notice to each member which shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken. Except in the case of an emergency, notice shall be mailed to each member at least ten (10) days prior to the meeting and shall be posted in a conspicuous place on the common elements.

3.5 Quorum.

Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of lot owners shall constitute a quorum at all meetings of the lot owners. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. An affirmative vote of a majority of the owners present,

either in person or by proxy, shall be required' to transact the business of the meeting except wherein the Covenants, Conditions and Restrictions, these By-Laws or by law a higher percentage vote is required.

3.6 Proxies.

At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot or upon receipt of notice by the secretary of the Board of the death or judicially declared incompetence of such member.

3.7 Adjournment.

In the absence of a quorum at the commencement of a members meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. Any adjournment for lack of a quorum shall be a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The quorum for such a reconvened meeting shall be twenty-five percent (25%) of the total voting power of the Owners' Association.

3.8 Voting.

The owner or owners of each lot shall be entitled to one vote, the value of which shall equal the common interest assigned to said owner or owner's lot as set forth in Exhibit "A" to the Covenants, Conditions and Restrictions.

3.9 Order of Business.

The order of business of all meetings of the owners shall be as follows:

- (a) Roll call and certifying proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading and disposal of unapproved minutes;
- (d) Reports of officers;
- (e) Reports of Board of Managers;
- (f) Reports of Committees;
- (g) Election of members of the Board of Managers;
- (h) Unfinished business;
- (i) New business; and,
- (j) Adjournment.

ARTICLE 4

BOARD OF MANAGERS, SELECTION; TERM OF OFFICE

4.1 Number and Term of Managers.

The Board shall consist of three (3) managers, each of whom shall be a lot owner or an agent of Developer (while Developer remains a lot owner). The managers shall serve concurrent terms of one (1) year. The initial managers, who shall be appointed by the Developer, or its duly elected replacement, shall serve until Developer has sold seventy percent (70%) of the residences Developer elects to build on the land described on Exhibit "A" hereto; thereafter, all managers shall be elected and removed according to these By-Laws. So long as the Developer owns one or more lots, the Developer shall be entitled to elect at least one (1) member of the Board of Managers, who need not be a lot owner. After the Developer has conveyed all lots and is no longer entitled to elect one member of the Board of Managers, all managers shall be lot owners.

4.2 Election of Board of Managers.

4.2.1. Nomination. Nominations for election to the Board of Managers shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting of the Owners' Association. The nominating committee shall consist of a chairman, who shall be a member of the Board of Managers, and two or more members of the Owners' Association. The nominating committee shall be appointed by the Board of Managers at least ninety (90) days prior to each annual meeting of the members to serve until the close of such annual meeting. The nominating committee shall make as many nominations for election to the Board of Managers as it shall in its discretion determine but not less than the number of vacancies that are to be filled.

4.2.2. Cumulative Voting. Elections of Board members shall be by secret written ballot. All elections in which more than two (2) positions on the Board are to be filled shall be conducted by cumulative voting.

4.2.3. Special Provision. Except as is hereinabove provided for so long as a majority of the voting power of the Owners' Association resides in the Developer, the first manager to be elected shall be elected solely by the votes of owners other than the Developer and the remaining managers shall be elected by the usual cumulative voting procedures.

4.3 Removal.

Unless the entire Board is removed from office by the vote of the Owners' Association's members, an individual manager

shall not be removed prior to the expiration of his term of office if the number of votes cast against his removal is greater than the quotient arrived at by dividing the total number of votes that may be cast plus the authorized number of managers. A manager elected pursuant to the special procedures set forth in Sub-Article 4.2.3 may be removed prior to the expiration of his term only by a simple majority of the voting power residing in members other than the Developer. No manager shall continue to serve on the Board if, during his term of office, he shall cease to be a lot owner.

4.4 Vacancies.

Vacancies in the Board caused by any reason other than the removal of a manager by a vote of the members shall be filled by a vote of the majority of the remaining managers, even though they may constitute less than a quorum, and each person so elected shall be a manager until a successor is elected at the next annual meeting of the Owners' Association or at a special meeting of the members called for that purpose.

ARTICLE 5

MEETING OF MANAGERS

5.1 Regular Meetings.

Regular meetings of the Board shall be conducted at least monthly at a time and place within or near the project as may be fixed by the Board. Notice of the time and place of regular meetings shall be given to each manager personally or by mail, telephone or telegraph at least three (3) days prior to the day named for the meeting and shall also be posted at a prominent place or places within the common elements.

5.2 Special Meetings.

A special meeting of the Board may be called by written notice signed by the President of the Owners' Association or by any two (2) managers other than the president. Notice shall be provided to all managers and posted in the common elements in the manner prescribed for notice of regular meetings and shall include a description of the nature of any special business to be considered by the Board.

5.3 Waiver of Notice.

Before or at any meeting of the Board, any manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice that manager. Attendance by a manager at any meeting of the Board shall be a waiver of notice by him of the time and place of the meeting.

5.4 Quorum.

The presence in person of a majority of the managers at any meeting of the Board shall constitute a quorum for the transaction of business and the acts of a majority of the managers present at a meeting at which a quorum is present shall be the acts of the Board of Managers. If at any meetings of the Board of Managers there shall be less than a quorum present, a majority of those present may adjourn from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

5.5 Adjournment; Executive Session.

The Board may, with the approval of a majority of a quorum of the managers, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Owners' Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

5.6 Board Meetings Open to Members.

Regular and special meetings of the Board shall be open to all members of the Owners' Association; provided, however, that members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

5.7. Managing Agent and/or Manager.

The Board of Managers may employ for the project a managing agent and/or a manager at a compensation established by the Board of Managers to perform such duties and services as the Board of Managers shall authorize.

5.8 Fidelity Bonds.

The Board of Managers shall attempt to obtain adequate fidelity bonds for all officers and employees of the project handling or responsible for project funds. The premium for such bonds shall constitute a common expense.

5.9 Compensation.

No member of the Board of Managers shall receive any compensation from the Owners' Association or lot owners for acting as such.

5.10 Liability of the Board of Managers.

The members of the Board of Managers shall not be liable to the lot owners for any mistake of judgment, negligence or otherwise except for their own individual willful misconduct or bad faith. The lot owners shall indemnify and hold harmless each of the members of the Board of Managers against all contractual liability to others arising out of contracts made by the Board of Managers on behalf of the Owners' Association unless any such contract shall have been made in bad faith or contrary to the provisions of the covenants, Conditions and Restrictions or of these By-Laws. It is intended that the members of the Board of Managers shall have no personal liability with respect to any contract made by them on behalf of the Owners' Association or the project. It is understood and permissible for the original Board of Managers, who are members of or employed by Developer, to contract with the Developer and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any lot owner arising out of any contract made by the Board of Managers or out of the aforesaid indemnity in favor of the members of the Board of Managers shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all the lot owners in the common elements. Every agreement made by the Board of Managers or by the managing agent or by the manager on behalf of the Owners' Association shall provide that the members of the Board of Managers, or the managing agent or the manager, as the case may be, are acting only as agents for the lot owners and shall have no personal liability thereunder (except as lot owners) and that each lot owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all lot owners in the common elements.

ARTICLE 6

POWERS AND DUTIES OF THE BOARD OF MANAGERS

6.1 Powers and Duties.

The Board of Managers shall have the powers and duties necessary for the administration of every property and may do all such acts and things except as by law or by the Covenants, Conditions and Restrictions or by these By-Laws may not be delegated to the Board of Managers by the lot owners. Without limitation on the generality of the foregoing powers and duties, the Board shall be vested with and responsible for the following powers and duties:

6.1.1 To select, appoint, supervise and remove all officers, agents and employees of the Owners' Association; to prescribe such powers and duties for them as may be consistent with

law and with the Covenants, Conditions and Restrictions and these By-Laws; and to fix their compensation (if not prohibited under these By-Laws) and to require from them security for faithful service when deemed advisably by the Board;

6.1.2 To enforce the applicable provisions of the Covenants, Conditions and Restrictions, these By-Laws and other instruments relating to the ownership, management and control of the project;

6.1.3 To adopt and publish rules and regulations governing the use of the common elements and facilities and the personal conduct of the members of their guests thereon and to establish procedures and penalties for the infraction thereof, subject to approval of the membership;

6.1.4 To pay all taxes and assessments which are or could become a lien on the common elements or a portion thereof;

6.1.5 To contract for casualty, liability and other insurance on behalf of the Owners' Association as provided in the Covenants, Conditions and Restrictions;

6.1.6 To cause the common elements to be maintained and to contract for goods and/or services for the common elements or for the Owners' Association, subject to the limitations set forth in this Article;

6.1.7 To delegate its powers to committees, officers or employees of the Owners' Association or to a management company pursuant to a written contract as expressly authorized by the Covenants, Conditions and Restrictions and these By-Laws;

6.1.8 To prepare budgets and financial statements for the Owners' Association as prescribed in these By-Laws;

6.1.9 To initiate and execute disciplinary proceedings against members of the Owners' Association for violations of the provisions of the Covenants, Conditions and Restrictions, these By-Laws and such rules as may be promulgated by the Board in accordance with procedures set forth in these By-Laws;

6.1.10 To enter upon any privately owned lot as necessary in connection with construction, maintenance or emergency repair for the benefit of the common elements of the owners;

6.1.11 To borrow money and incur indebtedness for purposes of the Owners' Association and to cause to be executed and delivered therefor in the Owners' Association's name promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypthecations or other evidences of debt and securities therefor;

6.1.12 To fix and collect regular and special assessments according to the Covenants, Conditions and Restrictions and these By-Laws and, if necessary, to record a notice of assessment is not paid within thirty (30) days after the due date or bring an action at law against the owner personally obligated to pay such assessment. All reserves for capital expansion, repair and maintenance shall be transferred to and held in a trust fund or funds for such purpose established by a vote of a majority of members and shall be expended only in the trust manner prescribed;

6.1.13 To prepare and file annual tax returns with the federal government and the State of Oklahoma and to make such elections as may be necessary to reduce or eliminate the tax liability of the Owners' Association. Without limiting the generality of the foregoing, the Board may, on behalf of the Owners' Association, elect to be taxed, if possible, under Section 528 of the Internal Revenue Code or any successor statute conferring income tax benefits on owners' associations. In connection therewith, the Board shall take such steps as are necessary to assure that the income and expenses of the Owners' Association for any taxable year shall meeting the following limitations and restrictions:

6.1.13.1 At least eighty percent (80%) of the gross income of the Owners' Association for any taxable year shall consist solely of amounts received as membership dues, fees or assessments from lot owners;

6.1.13.2 At least ninety percent (90%) or more of the expenditures of the Owners' Association for any taxable year shall be for the acquisition, construction, management, maintenance and care of the Owners' Association's property;

6.1.13.3 No part of the net earnings of the Owners' Association shall inure (other than by acquiring, constructing or providing management, maintenance and care of the Owners' Association's property and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any private individual.

6.2 Limitation of the Board's Power.

Except with the vote or written assent of a majority of the voting power of the Owners' Association residing in members other than Developer, the Board shall be prohibited from taking any of the following actions:

6.2.1 Incurring aggregate expenditures for capital improvements to the common elements in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Owners' Association for that fiscal year.

6.2.2 Selling during any fiscal year property of the Owners' Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Owners' Association for that fiscal year.

6.2.3 Paying compensation to managers or to officers of the Owners' Association for services performed in the conduct of the Owners' Association's business, provided, however, that the Board may cause a manager or officer to be reimbursed for expenses incurred in carrying on the business of the Owners' Association.

6.2.4. Entering into a contract with a third person wherein the third person will furnish goods or services for the common elements or the Owners' Association for a term longer than one (1) year with the following exceptions:

6.2.4.1 A management contract;

6.2.4.2 A contract with a public utility company if the rates charges for the materials or services are regulated by the Corporation Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

6.2.4.3 Prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration provided that the policy permits for short rate cancellation by the insured;

Any agreement for professional management of the project or any other contract providing for services by Developer shall provide for termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice and shall provide for a maximum contract term of three (3) years.

ARTICLE 7

OFFICERS AND DUTIES

7.1 Enumeration and Term.

The officers of the Owners' Association shall be a president and vice president, who shall at all times be members of the Board of Managers, a secretary and a treasurer and such other officers as the Board may from time to time by resolution create. The officers shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

7.2 Election of Officers.

Except as to the initial officers who shall be elected by

the Board appointed by this Developer as herein provided, the election of officers shall take place at the first meeting of the Board of Managers following each annual meeting of the members.

7.3 Resignation and Removal.

Any officer may be removed from office by a majority of the Board at any time with or without cause. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignations shall take effect on the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

7.4 Vacancies.

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

7.5 Multiple Offices.

The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to this Article.

7.6 Duties.

The duties of the officers are as follows:

7.6.1 President. The president shall preside at all meetings of the Board of Managers and the Owners' Association (members); shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks (unless the authority to sign checks in the ordinary course of the Owners' Association's business has been delegated to a management company as provided in these By-Laws) and promissory notes.

7.6.2 Vice President. The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

7.6.3 Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Owners' Association, together with their addresses, and shall perform such other duties as provided by the Board.

7.6.4 Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Owners' Association and shall disburse such funds as directed by resolution of the Board of Managers; shall co-sign all checks and promissory notes of the Owners' Association; and shall keep proper books of accounts and prepare or have prepared financial statements as required in these By-Laws. The duty of the treasurer to receive and deposit funds and to sign checks in the ordinary course of the Owners' Association's business may be delegated to a management company as provided in these By-Laws.

7.7 Compensation of Officers.

No officers shall receive any compensation from the Owners' Association or lot owners for acting as such.

ARTICLE 8

MAINTENANCE AND ASSESSMENTS

Pursuant to the procedures and guidelines set forth in the Covenants, Conditions and Restrictions, the Board shall levy, collect and enforce regular and special assessments for the operation of the Owners' Association and for management, maintenance and operation of the common elements. The assessments shall be used exclusively to promote the recreation, health, safety and welfare of all residents in the entire project for improvements and maintenance of the common elements for the common good of the project. Regular assessments shall include an adequate reserve fund for maintenance, repairs and replacement of the common elements.

ARTICLE 9

DISCIPLINE OF MEMBERS; SUSPENSION OF RIGHTS

The Owners' Association shall have no power to cause a forfeiture or abridgment of an owner's right to the full use and enjoyment of his individually owned lot on account of a failure of the owner to comply with provisions of the Covenants, Conditions and Restrictions, these By-Laws or of duly enacted rules of operation for the common elements and facilities, except where the loss of forfeiture is the result of the judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the owner to pay assessments levied by the Owners' Association. Notwithstanding the foregoing, the Board shall have the power to impose reasonable monetary penalties, temporary suspensions of an owner's rights as a member of the Owners' Association or other appropriate discipline for failure to comply with the Covenants, Conditions and Restrictions, these By-Laws or duly enacted rules; provided that the accused shall be given reasonable notice and the opportunity to

be heard by the Board with respect to the alleged violations before a decision to impose discipline is reached. In the case in which monetary penalties are to be imposed, such penalties shall be according to a schedule of penalties, related to specific offenses, which schedule shall be proposed by the Board and approved by the vote or written assent of a majority of the voting power of each class of membership. Such penalties shall bear a reasonable relationship to the conduct for which the penalty is imposed and may only be imposed prospectively.

ARTICLE 10

BUDGETS, FINANCIAL STATEMENTS, BOOKS AND RECORDS

10.1 Budgets and Financial Statements.

Financial statements for the Owners' Association shall be regularly prepared and copies shall be distributed to each member of the Owners' Association as follows:

10.1.1 A pro forma operating statement (budget) for each fiscal year shall be distributed not less than sixty (60) days before the beginning of the fiscal year.

10.1.2 A balance sheet (as of an accounting day which is the last day of the month closest in time to six (6) months from the date of closing of the first sale of a lot in the project to an individual buyer) and an operating statement for the period from the date of the first closing to the said accounting date shall be distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the lot and the name of the lot owner assessed.

10.1.3 A balance sheet as of the last day of the Owners' Association's fiscal year and an operating statement for said fiscal year shall be distributed within ninety (90) days after the close of the fiscal year.

In the event a holder, insurer or guarantor of any first mortgage that is secured by a lot in the project submits a written request therefor, the Owners' Association will provide an audit statement for the preceding fiscal year.

10.2 Fiscal year.

The fiscal year of the Owners' Association shall be designated by resolution of the Board. In the absence of such resolution, the fiscal year shall be the calendar year.

10.3 Inspection of Owners' Association's Books and Records.

The membership register, books of account and minutes of meetings of the members of the Board and of committees of the Board or Owners' Association shall be made available for inspection and copying by any member of the Owner's Association or by his duly appointed representative at any reasonable time and for a purpose reasonably related to his interest as a member at the office of the Owners' Association or at such other place within the project as the Board shall prescribe. Such inspection may take place on weekdays during normal hours following at least forty-eight (48) hours written notice to the Board by the member desiring to make the inspection. Any member desiring copies of any document shall pay the reasonable cost of reproduction. Every manager shall have the absolute right at any reasonable time to inspect all books, records and documents of the Owners' Association and the physical properties owned or controlled by the Owners' Association. The right of inspection by a manager includes the right to make extracts and copies of documents.

ARTICLE 11

AMENDMENT OF BY-LAWS

These By-Laws may be amended by a vote or written assent of owners of at least seventy-five percent (75%) of the aggregate interest in the common elements as established by the Covenants, Conditions and Restrictions; provided, however, that each of the particular requirements set forth in 60 Okla.Stat. §§851 through 855, inclusive, as it now reads or may be hereafter amended shall always be embodied in the By-Laws. Such modification or amendment shall not become operative unless set forth in amended Covenants, Conditions and Restrictions and duly recorded in the office of the County Clerk of Oklahoma County, Oklahoma.

ARTICLE 12

MISCELLANEOUS PROVISIONS

12.1 Regulations.

All owners, tenants or their employees or any other person that might use the facilities of the project in any manner are subject to the regulations set forth in these By-Laws and in the project documents and to all reasonable rules enacted pursuant to the Covenants, Conditions and Restrictions. Acquisition, rental or occupancy of any lot shall constitute acceptance and ratification of the provisions of all such rules and regulations.

12.2 Indemnity of Officers and Managers.

Each manager and officer shall be indemnified by the

Owners' Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a manager or an officer of the Owners' Association, except in cases of fraud, gross negligence or bad faith of the manager or officer in the performance of his duties.

12.3 Committees.

The Board shall appoint a nominating committee, as provided in these By-Laws. In addition, the Board of Managers shall appoint other committees as deemed appropriate in carrying out its purposes.

12.4 Notices.

Any notice permitted or required to be given by the project documents may be delivered either personally or by mail or as otherwise specifically provided in the project documents. If delivery is by mail, it shall be deemed to have been given seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, return receipt requested, addressed to each person at the current address or addressed to the lot of such person if no address has been given to the secretary; provided, however, that notice of regular or special meetings of members may be mailed without a return receipt.

ARTICLE 13

OBLIGATIONS OF THE OWNERS

13.1 Assessments.

13.1.1 Monthly Assessments. Assessments shall be due monthly in advance on the first day of each month. After monthly assessments have been set by the Board of Managers, the Board of Managers shall prepare and deliver or mail to each owner an individual statement of the owner's monthly assessment; thereafter, monthly statements shall be prepared and delivered or mailed only in the event of a change in the monthly assessment, the levying of a special assessment or in the event an owner becomes delinquent in the payment of the monthly assessments.

The assessments made for common expenses shall be based upon the cash requirements deemed to be such aggregate sum as the Board of Managers determines is to be paid by all of the owners, including the Developer, to provide for the payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations and improvements of and to the common elements, which sum may include, but shall not be limited to, expenses of management; taxes and

insurance with extended coverage and vandalism and malicious mischief with endorsements attached issued in the amount of the maximum replacement value of all the common elements; casualty and public liability and other insurance premiums; landscaping and care of grounds; common lighting; repairs and renovations; removals of pollutants and trash collections; wages, utility charges for common elements; beautification and decoration; professional fees, including legal and accounting fees, management fees, expenses and liabilities incurred by the managing agent or Board of Managers on behalf of the owners under or by reason of the Covenants, Conditions and Restrictions and the By-Laws of the Owners' Association; for any deficit arising or any deficit remaining from a previous period; the creation of a reasonable contingency fund, reserves, working capital and sinking funds as well as other costs and expenses relating to the common elements. In the event that cash requirements for common elements exceed the aggregate assessments made pursuant to this Article, the Board of Managers for the Owners' Association may from time to time and at any time make pro rata increases or decreases in the monthly assessments. The omission or failure to fix the assessment for any period shall not be deemed a waiver, modification or a release of the owners from their obligation to pay the same.

13.1.2 Special Assessments. In addition to those monthly assessments described in paragraph 13.1.1, above, special assessments may be made from time to time by the Board of Managers to meet other needs or to construct or establish facilities deemed of benefit to the Owners' Association and the owners by the Board of Managers or to overcome deficits in the monthly operating budgets; however, there shall be no special assessments for additions, alterations or improvements of or to the common elements requiring an expenditure by the Owners' Association in excess of \$20,000.00 in any one calendar year without the prior approval of the majority of the owners. Such limitations shall not be applicable, however, to special assessments for the replacement, repair, maintenance or restoration of any common elements which are to be paid for by the Owners' Association according to the Covenants, Conditions and Restrictions and these By-Laws and shall not be applicable to the purchase, if any, by the Owners' Association of a lot for use as an office by the Owners' Association.

13.1.3 Owner's Personal Obligation for Payment of Assessments. The amount of total assessments against such lot shall be the personal and individual debt of the owner thereof. The Board of Managers shall have the responsibility to take prompt action to collect any unpaid assessment in accordance with the terms of the Covenants, Conditions and Restrictions.

ESTABLISHMENT OF BY-LAWS

We, the undersigned, being the Developer and all of the

managers appointed by the Developer, pursuant to the Covenants, Conditions and Restrictions and By-Laws, do hereby certify the foregoing to be the By-Laws of Westlake Blocks 23 & 24 Homeowners' Association and, by our signatures hereto, do hereby adopt the foregoing By-Laws as of the 28 day of May, 1997.

INVESTMENT PROPERTY SPECIALISTS, INC., a corporation

By: [Signature]
President

BELL CORPORATION, INC., a corporation

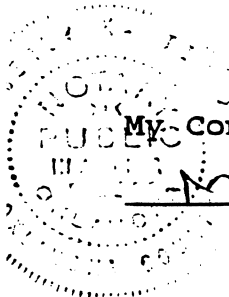
By: [Signature]
President

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on 28 day of May, 1997, by Kermit P. Schafer, Jr. as President of Investment Property Specialists, Inc.

[Signature]
Notary Public



My Commission Expires:
May 11, 1999
[SEAL]

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
) §
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on 28 day of May, 1997, by Garland Bell, as President of Bell Corporation, Inc.

Kimberly K. Timmer
Notary Public

My Commission Expires:

May 11, 1999
[SEAL]