

DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS

FOR

CENTRAL AVENUE VILLAS, A UNIT OWNERSHIP ESTATE

OF RESIDENTIAL CONDOMINIUMS

TO THE CITY OF OKLAHOMA CITY, OKLAHOMA COUNTY, OKLAHOMA

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DECLARATION OF UNIT OWNERSHIP ESTATE
CENTRAL AVENUE VILLAS, A PLANNED UNIT DEVELOPMENT,
 TO THE CITY OF OKLAHOMA CITY, OKLAHOMA COUNTY, OKLAHOMA

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KNOW ALL MEN BY THESE PRESENTS:

RECITALS

WHEREAS, Downtown Brownstone, LLC, an Oklahoma Limited Liability Company, hereafter referred to as the "Declarant", is the owner of certain land and improvements ("Subject Property") in Oklahoma County, Oklahoma, which property is more fully described on the attached "**Exhibit A**", incorporated herein and made a part hereof; and

WHEREAS, Declarant desires to submit the land and the improvements to be constructed thereon to Oklahoma's Unit Ownership Estate Act (Title 60 O.S. 1991, §§503(g), as amended).

NOW, THEREFORE, Declarant does hereby publish and declare that the land and its improvements are hereby subjected to the conditions, covenants, and restrictions herein set forth to be established upon the recording hereof; and that the covenants, conditions, restrictions, use limitations, obligations, and provisions hereof shall be deemed to run with the land described on "**Exhibit A**" and shall be for the use and benefit to the Declarant, its successors and assigns, and to any person or entity acquiring or owning an interest in the land and improvements, or any portion thereof, its grantees, successors, heirs, personal representatives, devisees and assigns.

**ARTICLE I
DEDICATION**

- 1.1 Definitions. Unless the context shall expressly provide otherwise:

"Association" or "Owners Association" means CENTRAL AVENUE VILLAS OWNERS ASSOCIATION, INC., an Oklahoma non-profit corporation, its successors and assigns, the Certificate of Incorporation and Bylaws of which shall govern the administration of this real estate development, the members of which shall be all of the owners of the Units.

"Building" means one or more of the building improvements lying within the real estate described on **Exhibit "A"**.

"Common Elements" or "General Common Elements" means generally all portions of the real estate development other than the Limited Common Elements and the Units as further described in detail in Article IV.

"Common Expenses" Common Expenses shall include:

- a. Expenses of administration, maintenance, repair or replacement of Common Elements to the extent such expenses are to be borne by the Association.
- b. Amounts deposited in the Reserve Fund for maintenance, repair, and replacement of the Common Elements;
- c. Expenses agreed upon as common by the Unit owners as set forth in the Bylaws;
- d. Expenses declared common by the provisions of the Oklahoma Unit Ownership Estate Act, this Declaration or the Bylaws, all as further described in Article IV hereinbelow.

"Declarant" shall mean and refer to Downtown Brownstone, LLC, an Oklahoma Limited Liability Company, its respective successors and assigns.

"Limited Common Elements" means all portions of the Common Elements described in Article IV.

"Obligation(s)" shall mean all dues and special assessments attributable to an Owner or a Unit.

"Owner" means a person or persons, firm, corporation, partnership, trust, association or other legal entity, or any combination thereof, who owns one or more Units for the purpose of occupying the same as a residence.

"Person" means a natural person, corporation, partnership, association, trust, other entity, or any combination thereof.

"Unit" shall mean that portion of Building designated for separate ownership as shown on **Exhibits "B"**, **"D"** and **"F"**, the boundaries of which being described in Article IV hereinbelow.

1.2 Easements.

(A) Easements Deemed Appurtenant. The easements and rights herein created for an Owner shall be appurtenant to the Unit of that Owner, and all conveyances and instruments affecting title to a Unit shall be deemed to grant and reserve the easements and rights as provided herein, as though set forth in said document in full, even though no specific reference to such easements or restrictions appears.

(B) Blanket Easements for Utilities. There is hereby created a blanket easement in, on, through, upon, across, over and under all of the publicly dedicated easements and rights-of-way, as shown on the recorded plat, for ingress and egress, installation, replacement, repair and maintenance of all utilities including, but not limited to, water, sewers, gas, telephones and electricity. By virtue of this easement, it shall be expressly permissible for the electrical company, telephone company and/or any other company providing services to the Subject Property to erect and maintain the necessary poles and

other necessary equipment on said easements.

(C) Owner's Nonexclusive Easement of Enjoyment; Limitations. Every Owner and his immediate family shall have a nonexclusive right and easement of enjoyment in and to the Common Elements, which shall be appurtenant to and shall pass with the title to the Unit of such Owner, subject to the rights of the Association stated herein.

1.3 Use and Occupancy; Rights to Rent; Mortgagee Right to Rent; Leases Subject to Declaration.

(A) Residential Units; Copy of Leases. After the initial sale or transfer of a Unit or Units by Declarant, all Units shall thereafter be used and occupied only for single family residence purposes by the Owner, by the Owner's family, the Owner's guests, or the Owner's tenants; however, Units shall not be rented by the Owners for any period less than thirty (30) days; and further, any lease shall be in writing and shall be subject to the covenants and restrictions contained in this Declaration. The Owner is responsible for delivering a copy of any lease on a Unit to the Association or its management company. Failure or refusal to deliver a copy of a lease to the Association after written notice to comply with this requirement shall be grounds for an action to recover damages or injunctive relief or both, and for reimbursement of all attorney's fees incurred in connection therewith, which action shall be maintainable by the Managing Agent or Board of Directors in the name of the Association on behalf of the owners.

(B) Association a Third-party Beneficiary. The Association shall be considered a third-party beneficiary of any lease and may enforce compliance therewith.

1.4 Mortgaging a Unit; Priority; Mortgage Subject to Declaration. An Owner shall have the right from time to time to mortgage or encumber his Unit and the interest appurtenant thereto, but the lien created thereby shall be subject to the terms and provisions of this Declaration, and any mortgagee or other lienholder who acquires a Unit through judicial foreclosure, public sale or other means shall be subject to the terms and conditions of this Declaration except as specifically excepted herefrom.

1.5 Compliance with Provisions of Declaration, Certificate of Incorporation and Bylaws. Each Owner shall comply strictly with the provisions of this Declaration, the Certificate of Incorporation, the Bylaws of the Association and the rules, regulations, decisions and resolutions of the Association adopted pursuant thereto as the same may be lawfully amended from time to time. Failure and refusal after written notice to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief or both, and for reimbursement of all attorney's fees incurred in connection therewith and interest on all of such amounts at the highest lawful rate, which action shall be maintainable by the Managing Agent or Board of Directors in the name of the Association on behalf of the owners or, in a proper case, by an aggrieved Owner.

1.6 Revocation or Amendment to Declaration. The Declarant, so long as the Declarant owns one or more Units, may amend this Declaration at any time to correct scrivener's errors or omissions so long as said correction does not diminish the rights granted herein to the Owners. Except as aforesaid this Declaration shall not be revoked unless all of the Owners unanimously consent and agree to such revocation by instrument(s) duly recorded. Except as provided herein, this Declaration shall not be amended unless the Owners representing an aggregate ownership interest of eighty percent (80%), or more, of the Units agree to such amendment by instrument(s) duly recorded. However, these Declarations may not be amended to remove or restrict any of the rights granted or reserved herein to Declarant without the express written consent of Declarant.

1.7 Proportionate Interest in Common Elements. The proportionate interest of each Unit Owner in the Common Elements is shown on **Exhibit "D"** attached hereto and made a part hereof. Each Unit Owner shall be entitled to the undivided interest in the Common Elements shown on such exhibit, which ratio is based on the fair value of each Unit in relation to the fair value of all Units subject hereto.

ARTICLE II EXHIBITS

The following documents are attached as exhibits as required by varying provisions of Oklahoma's Unit Ownership Estate Act:

- Exhibit "A" - Legal Description of the tract of land comprising all elements of the project;
- Exhibit "B" - Description of Buildings
- Exhibit "C" - Unit Descriptions
- Exhibit "D" - Unit Percentages for Assessment and Ownership
- Exhibit "E" - Bylaws
- Exhibit "F" - Copy of Plans for Central Avenue Villas, a Residential Use Development certified by TAParchitecture (Plans are separately filed concomitant with this document)

ARTICLE III SERVICE AGENT

The name of the person to receive service of process in actions against the Association and the name of the person to receive service of process on two or more Unit Owners in actions relating to the Common Elements is **Bert Belanger, 9701 N. Broadway Ext., Oklahoma City, OK 73116**. This person may be changed as provided in the Bylaws.

ARTICLE IV DESCRIPTION OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS OWNERS AND ASSOCIATION MAINTENANCE RESPONSIBILITY

4.1 "Common Elements" means all portions of the condominium and common areas other than the units.

4.2 "Common Expenses" means and includes expenses for maintenance, replacement, repair, operation, improvements, management and administration; water and sewer charges of individual Units; expenses declared common expenses by the provisions of this Declaration and the Bylaws of the Association; and all sums lawfully assessed against the Common Elements by the Board of Directors of the Association.

4.3 "Limited Common Elements" means those Common Elements which are either limited to and reserved for the exclusive use of an owner of a unit or are limited to and reserved for the exclusive common use of more than one but fewer than all of the owners. The Limited Common Elements shall be:

4.3.1 the structural and other commonly used components of each building, windows and exterior doors of units, and the utilities, sewers, power, water and other common lines running through the walls, ceilings, attic or floor of each unit for the service of the other units;

4.3.2 designated parking spaces, if any, any balconies or patios as shown on **Exhibit "B"**, and any other common element which is shown on **Exhibit "B"** as a Limited Common Element; and

4.3.3 If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a Limited Common Element allocated solely to that Unit, and any portion thereof serving more than one Unit or any portion of the Common Elements is a part of the Common Elements or Limited Common Elements.

4.4 "Unit" means a portion of the Condominium designated for separate ownership, the boundaries of which are described in Section 4.5 below.

4.5 "Unit Boundary".

4.5.1 For purposes of ownership, maintenance, repair, alteration and remodeling, an Owner shall be deemed to own all portions of the interior nonsupporting walls of a Unit, the materials (such as, but not limited to, plaster, paneling, wallpaper, paint, wall and floor tile and flooring, but not including the subflooring) making up the finished surfaces of the Unit exterior walls, of the Unit support walls, of the Unit ceilings and of the floors within the Unit. All other portions of the walls, floors, or ceilings, as well as windows and Unit exterior doors, are a part of the Common Elements or Limited Common Elements. The Owner shall also be deemed to own the condensing unit and the fan coil unit and hot water heater serving that Unit notwithstanding the fact that such condensing unit, fan coil unit and, in some cases, the hot water heater lie outside the herein described boundary.

4.5.2 Subject to the provisions of subparagraph 4.3.3, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit.

4.6. Owner's Maintenance Responsibility of Unit. For purposes of maintenance, repair, alteration and remodeling, an Owner shall be deemed to own the interior nonsupporting walls of a Unit, the materials (such as, but not limited to, plaster, paneling, wallpaper, paint, wall and floor tile and flooring, but not including the subflooring) making up the finished surfaces of the Unit perimeter, of the Unit support walls, of the Unit ceilings and of the floors within the Unit. The Owner shall also be deemed to own the condensing unit and the fan coil unit and hot water heater serving that Unit notwithstanding the fact that such condensing unit, fan coil unit and, in some cases, the hot water heater lie outside the herein described boundary. The Owner shall not be deemed to own lines, pipes, wires, conduits or systems (which for brevity are herein and hereafter referred to as "utilities") running through his Unit which serve one or more other Units except in common with the other Owners, nor shall an Owner be deemed to own windows and Unit exterior doors. Such utilities shall not be disturbed or relocated by an Owner without the written consent and approval of the Board of Directors. An Owner shall maintain and keep in repair his own Unit, including the appliances and lighting fixtures thereof. All lighting fixtures, equipment and electrical wiring installed within the Unit commencing at a point where the utilities enter the Unit shall be maintained and kept in repair by the Owner thereof. Maintenance and repair of water pipes, but not plumbing fixtures, shall be by the Association. The Owner shall do no act nor any work that will impair the structural soundness or integrity of the building or impair any easement or hereditament, nor shall he make any changes to the individual patio or terrace, appurtenant to his Unit, without written approval of the Association. An Owner shall also keep the appurtenances to his Unit in a clean and sanitary condition and be responsible for repairs caused by negligence or misuse of that Owner to any Limited Common Element of which he has beneficial use, in accordance with the terms of this paragraph. However, the Board of Directors shall have the right to do any necessary maintenance work or repairs to Limited Common Elements if the Owner fails to do so and assess the Owner for the cost thereof. An Owner, after acquiring an adjoining Unit or an adjoining part of an adjoining Unit may remove or alter any intervening partition or create apertures therein, even if the partition in whole or in part is a Common Element, if those acts do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Condominium. Removal of partitions or creation of apertures under this paragraph is not an alteration of boundaries.

4.7. Association's Maintenance, Operation, Repair and Alterations Responsibility. The Association shall be responsible for the maintenance, operation and repair of the Common and Limited Common Elements, and the Owner of each Unit shall be responsible for the maintenance and repair of all portions of his Unit as defined in paragraph 4.6 of this Declaration.

ARTICLE V OWNERS ASSOCIATION

5.1 Mandatory Membership. An Owner of a Unit, upon becoming an Owner, shall mandatorily be a member of the Association and shall remain a member for the period of his ownership. The Association shall be governed by a Board of Directors as is provided in the Certificate of

Incorporation and Bylaws of the Association. The Association may employ agents, servants and employees and any person or firm to act as Managing Agent at any agreed upon compensation.

5.2 Membership Voting Rights. Each Member shall be entitled to the voting percentage shown on **Exhibit "D"** for each Unit owned. When more than one person holds an ownership interest in a Unit, all such persons shall be members. The vote for such Unit shall be exercised as they among themselves determine, but in no event shall more than the voting percentage be cast with respect to any Unit.

5.3 Voting/Membership Rights of Declarant; Interim Control. Until such time as Declarant shall have transferred title to Seventy-Five Percent (75%) of the Units the Declarant shall have the right to appoint or elect the Board of Directors. Within sixty (60) days after the sale of Units comprising Seventy-five (75%) percent of the total Units the Declarant shall cause notice to be given, in accordance with the requirements of the Bylaws, of the initial meeting of the Owners Association.

5.4 Ownership of Common Elements. All Common Elements shall be owned proportionately by the Members in accordance with the Ownership/Voting Percentage shown on **Exhibit "D"**.

5.5 Association's Maintenance and Responsibility. The Association shall be responsible for the Common Expenses as defined in Section 4.7 above.

5.6 Assessment for Monthly Dues and Special Assessments.

(A) Obligation to Pay Monthly Dues. Except as stated in this Section 5.6, all Owners shall be obligated to pay the Monthly Dues imposed by the Bylaws and the Board of Directors of the Association to meet the expenses of the Association.

(B) Commencement of Monthly Dues; Due Dates. Monthly Dues for all Units in a Building shall commence on the date the Building is certified as ready for occupancy and the first Unit is certified as ready for occupancy in accordance with the Act and thereafter as provided herein or in the Bylaws. Dues for Units that are not ready for occupancy shall be computed at the rate of twenty (20%) for the percentage shown on **Exhibit "D"**. Once a Unit is certified as ready for occupancy Dues shall be paid in accordance with the percentages shown on **Exhibit "D"**. Monthly Dues shall be paid in advance on the first day of the month, and shall be past due on the tenth day of the month.

(C) Emergency Dues. In the event that the Board shall determine that its budget for any current month is or will become inadequate to meet all expenses for any reason, including nonpayment of any Owner's assessment on a current basis, it shall immediately determine the appropriate amount of such inadequacy for such month and may levy an emergency assessment for the amount required to meet all such expenses on a current basis against the Owners of each Unit; provided, however, that any such emergency assessment in an amount exceeding \$100.00 per Unit must first be approved by seventy-five (75%) percent in interest of the Unit Owners, present either in person or by proxy and entitled to vote at a meeting called for such purposes at which a quorum is present, written notice of which meeting shall be sent to all members not less than 10 days nor more than 30 days in advance of the meeting. Emergency assessments levied in accordance with this section shall be due and payable within 15 days of written notice thereof by the Board.

(D) Special Assessments for Capital Improvements; Assent; Notice. In addition to the Monthly Dues and Emergency Assessments hereof, the Board of Directors may levy a special assessment ("Assessment") applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement, including the necessary fixtures and personal property related thereto, provided that any such special assessment shall have the assent of 2/3rds of the Owners, voting in person or by proxy, at a meeting duly called for this purpose. Written notice of which shall be given to all members at least ten (10) days in advance, which shall set forth the purpose of the meeting. No special assessment may be levied upon the Declarant.

(E) Assessment Lien; Priority; Notice of Lien; Recording; Enforcement; Receiver; Mortgagee may pay Assessment All unpaid assessments and dues chargeable to any Unit, including any fees, late charges, fines or interest, shall constitute a lien on such Unit prior to all other liens except the following: (1) assessments, liens and charges for taxes past due and unpaid on the Unit, (2) judgments entered in a Court of Record prior to the due date of the monthly dues or assessment date, (3) mortgage instruments of encumbrance duly recorded prior to the due date or date of such assessment, and (4) mechanic's and materialmen's liens arising from labor performed or material furnished upon a Unit prior to the due date or date of such assessment. To evidence such lien, the Board of Directors shall prepare a written notice of assessment lien setting forth the amount of such unpaid indebtedness, the name of the Owner of the Unit and a description of the Unit. Such a notice shall be signed by one of the Board of Directors or by one of the officers of the Association, or a management agent of the Board of Directors, and shall be recorded in the office of the County Clerk of Oklahoma County, Oklahoma. Such lien for the Monthly Dues, Emergency Assessment or Special Assessment shall attach from the due date thereof and impart notice to third parties from the date of the recording thereof. Such lien may be enforced by the foreclosure of the defaulting Owner's Unit subsequent to the recording of a notice or claim thereof by the Association in like manner as a mechanics or materialmens lien on real property. In any such proceedings the Owner shall be required to pay the costs, expenses and attorney's fees incurred for filing the lien and, in the event of foreclosure proceedings, the additional costs, expenses and attorney's fees incurred. The owner of the Unit being foreclosed shall be required to pay to the Association the yearly assessment for the Unit during the period of foreclosure, and the Association shall be entitled to the appointment of a receiver to collect the same. The Association shall have the power to purchase a Unit at foreclosure or other legal sale and to acquire and hold, lease, mortgage, vote the votes appurtenant to, convey or otherwise deal with the same. Any mortgagee holding a lien on a Unit may pay, but shall not be required to pay, any unpaid monthly dues or special assessments payable with respect to such Unit, and such payment shall not be deemed a waiver by the Association of default by the Unit Owner.

(F) Monthly Dues and Assessments Collectible on Sale. Upon the sale or conveyance of a Unit, all unpaid monthly dues or assessments, including interest and costs and reasonable attorney's fees incurred in collection, shall be first paid out of the sales price or by the purchaser in preference of any other assessments or charges of whatever nature, except the following:

Assessments, liens and charges for taxes past due and unpaid on the Unit;

Judgments entered in a Court of Record prior to the due date of monthly dues or a special assessment;

Mortgage instruments of encumbrance duly recorded prior to the date of such assessments;

Mechanic's and materialmen's liens arising from labor performed or material furnished upon a Unit prior to the date of such assessment; and

In a voluntary conveyance of a Unit the grantee of the Unit shall be jointly and severally liable with the grantor for all unpaid dues and assessments by the Association, 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 management agent or Board of Directors of the Association, as the case may be, setting forth the amount of the unpaid assessments against the grantor due the Association and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a Lien for, any unpaid assessments made by the Association against the grantor in excess of the amount therein set forth.

(G) Mortgaging a Unit; Priority; Mortgage Subject to Declaration; Mortgagee in Title-Unpaid Assessments. An Owner shall have the right from time to time to mortgage or encumber his Unit and the interests appurtenant thereto, but the lien created thereby shall be subject to the terms and provisions of this Declaration, and any mortgagee or other lienholder who acquires a Unit through judicial foreclosure, public sale or other means shall be subject to the terms and conditions of this Declaration except as specifically excepted herefrom. Where the holder of a first mortgage of record or other purchaser obtains

title to the Unit as a result of foreclosure of the first mortgage or deed in lieu of foreclosure, such acquirer of title shall not be liable for the monthly dues or assessments chargeable to such Unit which became due prior to acquisition of title to such Unit by such acquirer.

(H) Non-Exemption from Payment; Board Responsibility to Collect; Interest, Costs, and Attorney Fees; Suit; Notice to Mortgagee. The amount of monthly dues and assessments assessed against each Unit shall be the personal and individual debt of the Owner thereof. No Owner may exempt himself from this liability by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit. The Board of Directors shall have the responsibility to take prompt action to collect any unpaid dues or assessments which remain unpaid more than fifteen (15) days from the due date for payment thereof. In the event of a default by an Owner in the payment of dues or an assessment, such Owner shall be obligated to pay interest at the rate of eighteen percent (18%), or such higher rate (provided the same shall not be usurious) as the Board of Directors may from time to time determine, per annum on the amount of the dues or assessment from the due date thereof, together with all expenses, including attorney's fees, incurred to collect such dues or assessments together with late charges as provided by the Bylaws of the Association. Suit to recover a money judgment for obligations may be instigated in Oklahoma County, Oklahoma, and may be maintainable without foreclosing or waiving the lien securing same additionally, in the event that the mortgage on a Unit should so provide, a default in the payment of an obligation shall be a default in such mortgage and if required by the mortgagee by written notice to the Association, the Board of Directors shall give notice of any default in payment of an assessment to the mortgagee.

5.7 Rules and Regulations; Fines; Enforcement. The Board of Directors is empowered to adopt Rules and Regulations together with the authority to impose fines, all of which shall be binding on all Owners as if fully set forth herein.

(A) Adoption of Rules. Written notice of any proposed adoption, modification or change of a Rule or a fine shall be given to the members. Said written notice shall provide at least five days notice of the meeting wherein the Board proposes to adopt the Rule or fine and afford any Owner the opportunity to be heard in that regard. At the conclusion of the meeting the Board may adopt the Rule or fine as published or make modifications prior to final decision.

(B) Due Process. In order to afford due process to each Owner before any punitive action may be finally imposed by the Board of Directors, each Owner shall have the right of a hearing before the Board of Directors, en banc for the purpose of avoiding or mitigating any penalty, fine or punitive action. The Owner shall be afforded not less than 10 days written notice of the hearing. At the hearing both the Association and the owner may produce evidence and present witnesses. The Board of Directors shall promptly resolve the dispute and announce its decision, which in such instances shall be final as to all matters.

(C) Notice. New Owners shall be afforded copies of the Rules upon notice to the Association of the change of title.

5.8 Eminent Domain. If part of a Common Area is acquired by eminent domain, the award must be paid to the Association. The Association shall represent the Unit Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Elements, or part thereof. Each Unit Owner appoints the Association as attorney-in-fact for such purposes.

5.9 Association Rights to Use and To Grant Easements. The Association, in its sole discretion, may from time to time grant easements and rights of way on, across, under and over the Common Elements to any municipal corporation or public utility company, or other entity providing water, sewer, gas, electricity, telephone, cable television, or other similar service to the real estate development.

5.10 Prohibition of Employment or Other Pecuniary Gain. No part of the assessments or net earnings of the Association shall inure to the benefit of any Unit Owner or individual, except to the extent that Unit Owners receive the benefits from the maintenance, repair, operations, additions, alterations and improvement responsibility of the Association. No Unit Owner or any business in which a Unit Owner has an interest may receive a credit or compensation, directly or indirectly, for services rendered as an officer, director or employee of the Association.

5.11 Committees. The Board of Directors shall establish such Committees as provided in the Certificate of Incorporation and Bylaws.

5.12 Registration of Mailing Address of Unit Owners; Association Address. Each Owner shall register his mailing address with the Association, and notices or demands intended to be served upon an Owner shall be sent by mail, postage prepaid, addressed in the name of the Owner at such registered mailing address. All notices, demands or other notices intended to be served upon the Secretary or managing agent of the Board of Directors of the Association at 9701 Broadway Extension, Oklahoma City, OK 73116, or served upon the service agent of the Association.

5.13 Mandatory Mediation/Arbitration. Any Owner, by acceptance of a deed to a Unit in the Subject Property, does hereby agree to mandatory Mediation/Arbitration of any non-monetary dispute between that Owner and the Association or any other Owner the subject of which is the violation or non-compliance with the terms of these Covenants or Bylaws of the Association. The terms and procedures to be followed are set forth in the Bylaws of the Association.

ARTICLE VI INSURANCE

6.1 Master Policy; Flood Insurance; Special Condominium Endorsement; Public Liability. The Association shall carry a blanket insurance policy in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost) from an insurance company qualified to do and conduct business in the State of Oklahoma and holding a rating of Best's Insurance Reports of Class XV or better (the limits of coverage of which insurance shall be reviewed annually by the Board of Directors), of fire, lightning, extended coverage, vandalism and malicious mischief, all risk, agreed amount and inflation guard endorsement and replacement cost covering the Common Elements, Limited Common Elements and Units, and, if required by law, workmen's compensation insurance (all of which hereinafter referred to as the "Master Policy"), with respect to the project and the Association's administration thereof in accordance with the following. The name of the insured must be stated in form and substance similar to the following: "Central Avenue Villas Owners Association for use and benefit of the individual owners." Such policy must contain the standard mortgagee clause (without contribution) which must be endorsed to provide that any proceeds shall be paid to the Central Avenue Villas Owners Association for the use and benefit of mortgagees, their successors and assigns, as their interest may appear.

If the project is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a per building policy of flood insurance must be maintained in the amount of one hundred percent (100%) of current replacement cost of all buildings or other insurable property or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less.

Said Master Policy and the endorsements made a part thereof may provide for such deductibles from any amounts otherwise payable thereunder as the Association may determine, and shall also, by Special Condominium Endorsement or its equivalent, (i) provide that the insurer issuing said policy agrees to abide by the decision of the Association whether to repair, reconstruct or restore all or any damaged or destroyed portion of the Common Elements or the Units covered thereby, (ii) provide that only improvements made or installed by the Association shall affect the valuation of any Building or Improvement on the project for co-insurance purposes. (iii) provide for at least an annual insurance review which shall include an appraisal of all Buildings, improvements and personal property of the

Association located on or within the project required to be insured hereby by a representative of the insurer issuing said master policy, (iv) contain a waiver by said insurer of any and all rights of subrogation against any Owner, Declarant (and each member of its staff and its employees), the Association, its Board and each member thereof, its officers (and each of them), the Manager and his staff, and the agents, representatives and employees of the Association (v) provide that said Master Policy cannot be cancelled, invalidated, suspended, substantially modified, terminated, avoided or expire in whole or in part by reason of any act, omission or breach of any covenant contained in this Declaration by any Owner, Declarant, the Association, its Board, its officers, the Manager and his staff, or the agents, representatives, or employees of the Association without a prior written demand that the Association cure such breach, and that in no event shall said policy be invalidated, suspended, terminated, voided or expire for any reason without thirty (30) days' prior written notice from the insurer to the Association, Declarant and to any Owner or mortgagee who shall have filed a written request with said insurer for such notice (vi) provide that the Board or its authorized agent or representative shall have the exclusive authority to adjust any and all losses covered by said policy, (vii) provide that the insurance obtained pursuant to this paragraph shall not be prejudiced by any act or neglect of any of the insureds when such act or neglect is not within the knowledge and control of the insureds collectively, (viii) provide that the insurance obtained pursuant to this paragraph shall not be prejudiced by failure of the insureds collectively to comply with any warranty or condition with regard to any portion of the premises over which the insureds collectively have no control, (ix) provide that the insurance obtained pursuant to this paragraph shall not be prejudiced by reason of the vacancy or non-occupancy of any one or more Units within the project, provided that this Declaration (as the same may be amended from time to time) is in force and the project is operating as a condominium project, (x) provide that all insurance proceeds under said master policy shall be payable to the Association as trustee to be held and expended as provided in this Declaration for the benefit of the Owners and their respective mortgagees as their interests may appear, (xi) provide that the insurer shall issue certificates or memoranda of insurance to the Association, and upon request, to any Unit Owner, mortgagee, or beneficiary under a deed of trust, (xii) prohibit contribution or assessments being made against FNMA or FHLMC or being made a lien on the project superior to the lien of any first mortgage, (xiii) provide for the recognition of any Insurance Trust Agreement, and (xiv) provide that the policy is primary in the event the Unit Owner has other insurance covering the same loss.

The Board of Directors shall also obtain and maintain, to the extent obtainable, comprehensive general liability insurance in such limits as may from time to time be determined necessary, covering all of the Common Elements in the Condominium project. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts or the Association or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use. Coverage shall be for at least One Million Dollars (\$1,000,000.00) per occurrence, for personal injury, including death of persons, and/or property damage. The Association shall use its best efforts to see that the liability insurance carried by the Association shall contain cross-liability insurance endorsement, or appropriate provisions to cover liability of the Owners, individually and as a group, to another Owner. Such policies must provide that they may not be cancelled or substantially modified, by any party, without at least ten (10) days' prior written notice to the Association and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy.

6.2 Named Insured; Mortgagee Clause. The Master Policy shall be purchased by the Association naming the Association as the insured, as attorney-in-fact or trustee (for all of the Owners), which policy or policies must contain or have attached the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the mortgaged premises are located.

6.3 Fiduciary Liability Insurance. The Board of Directors shall also obtain and maintain fiduciary liability insurance coverage against dishonest acts on the part of officers, directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than (i) one and one-half (1 1/2) times the estimated annual operating expenses and reserves or (ii) the estimated maximum of funds, including

reserve fund, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond, or (iii) a sum equal to three (3) months' aggregate assessments on all Units plus reserve funds. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. The fidelity insurance policy shall provide it may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days' prior written notice to the Association or to any Insurance Trustee and each servicer on behalf of FNMA and FHLMC.

6.4 Insurance for Unit Owners. Each owner may obtain insurance at his own expense on all furnishings and decorations and other items of personal property belonging to an Owner. Casualty and public liability insurance coverage within each Unit are specifically made the responsibility of the Owner thereof.

6.5 Insurance Trustee; Power of Attorney. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom such Association may enter into any insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Unit owner appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designed by the Association, as attorney-in- fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association or any Insurance Trustee shall receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their first mortgage holders, as their interests may appear.

ARTICLE VII PROPERTY/USE RESTRICTIONS

7.1 Single Family Residences; Limitation on occupancy. All Units shall be occupied as single family residences only. No more than two persons per bedroom may occupy the Units.

7.2 Offensive or Noxious Use; Nuisance Activity. The Owner of any Unit shall not use or allow the use of such Unit for any purpose which will be noxious, offensive or detrimental to the use of the other Units or which will create or emit any objectionable, offensive or noxious odors, dust, gases, fumes or other such material or which will in any manner violate any applicable zoning ordinance or other regulations enacted by any duly constituted governmental authority. No noxious or offensive activity shall be carried on, nor shall anything be done therein which may be or may become an annoyance or nuisance.

7.3 Refuse Storage. The storage of trash, ashes, or other refuse, except in normal receptacles, is prohibited.

7.4 Signs and Billboards; Declarant's Right. No signs or billboards shall be permitted on the exterior of any Unit without the prior written consent of the Association; provided, this prohibition shall not apply to the Declarant in the initial sale of such Unit. The Association shall determine the location and manner in which properties for sale or rent may be advertised.

7.5 Vehicle Parking and Storage. No boats, trailers, trucks, campers, recreational vehicles, motor homes or large commercial vehicles, nor any vehicle in the process of being repaired or otherwise presently inoperable, shall be stored or parked within the subject lands. No vehicle not used for everyday transportation may be parked or stored on the premises.

7.6 Household Pets; Care and Restraint; Limit on Number. No animal shall be kept except household pets. Such pets may not be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No savage or dangerous animal shall be kept. No more than two (2) household pets may be kept without written permission of the Association. No pets may be permitted to run loose within the Project. The Board of Directors is permitted to establish further Rules and Regulations regarding pets as changing conditions require.

ARTICLE VIII DECLARANT'S RESERVATIONS

In addition to the reservations stated throughout this Declaration and notwithstanding anything herein to the contrary Declarant hereby reserves the rights contained in this Article.

8.1 Special Amendment. Declarant hereby reserves and is granted the right and power to record a Special Amendment to this Declaration at any time and from time to time which amends this Declaration (i) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Administration, the Veteran's Administration, or any other governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities and/or (ii) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Units. In furtherance of the foregoing, a power coupled with an interest is hereby reserved and granted to the Declarant to make or consent to a Special Amendment on behalf of each Owner. Each deed, mortgage, trust deed, other evidence of obligation or other instrument affecting a Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of, the power of the Declarant to make, execute, and record special amendments. No special amendment made by Declarant shall affect or impair the lien of any first mortgage upon a Unit or any warranties made by an Owner or first mortgagee in order to induce any of the above agencies or entities to make, purchase, insure, or guarantee the first mortgage on such Owner's Unit.

8.2 Declarant Business Office; Models. Declarant may maintain a business and sales office, models, and other sales facilities necessary or required until all of the Units are sold.

8.3 Transfer of reserved rights. After Declarant has sold all Units owned by him any and all rights reserved herein shall be transferred to and become vested in the Association.

ARTICLE IX MISCELLANEOUS

9.1 Severance. If any of the provisions of this Declaration or any paragraph, sentence, clause, phrase or word, or the application thereof in any circumstance be invalidated, such invalidity shall not affect the validity of the remainder of this Declaration, and the application of any such provisions, paragraph, sentence, clause, phrase or word in any other circumstances shall not be affected thereby.

9.2 Failure to Enforce Not Waiver. No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

9.3 Captions. The captions herein are inserted only as a matter of convenience, and for reference, and in no way define, limit or describe the scope of this Declaration or exhibits nor the intent of any provisions hereof.

9.4 Gender. Whenever the context so requires, the use of the masculine gender in this Declaration shall be deemed to refer to the feminine or neuter gender and the use of the singular shall be deemed to refer to the plural, and vice versa.

9.5 Covenants to Run With the Land. The covenants, conditions and restrictions of this Declaration shall run with and bind the project and shall inure to the benefit of and be enforceable by the Declarant or any Owner, their respective legal representatives, heirs, successors and assigns.

9.6 Declarant Easement. Declarant has an easement as may be reasonably necessary for the purpose of discharging Declarant's obligations or exercising Declarant's rights reserved herein.

9.7 Enforcement at Law or In Equity; Notice to Mortgagee of Uncured Default. Any Owner or Declarant, so long as Declarant has a record interest in the covered property, shall have the right to enforce by proceedings at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration or any amendment thereto, including the right to prevent the violation of any such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation. Failure to enforce any covenant, condition, or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

9.8 Attorneys Fees. In the event action is instituted to enforce any of the provisions contained in this Declaration, including collections of monthly dues, the party prevailing in such action shall be entitled to recover from the other party thereto, as part of the judgment, reasonable attorneys fees and costs of such suit.

9.9 City of Oklahoma a Beneficiary. In order that the public interest may be protected, the City of Oklahoma City shall be a beneficiary of any of the covenants herein pertaining to location of uses and access. The City of Oklahoma City may enforce compliance therewith.

IN WITNESS WHEREOF, the undersigned, being the owner of all the Units in the Central Avenue Villas Planned Unit Development has executed these presents the _____ day of _____, 2006.

Downtown Brownstone, LLC., an Oklahoma Limited Liability Company

By: _____
W.P. Pat Garrett, Manager

STATE OF OKLAHOMA)
) SS.
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on _____, 2005, by _____
W.P. Pat Garrett, as Manager of Downtown Brownstone, LLC, an Oklahoma Limited Liability Company, on behalf of the company.

My Commission expires:

Notary Public

SEAL

EXHIBIT "A"
LEGAL DESCRIPTION
CENTRAL AVENUE VILLAS, A RESIDENTIAL DEVELOPMENT

(metes and bounds legal description to be supplied by Architect)

EXHIBIT "F"
ENGINEERING/ ARCHITECTURAL PLANS FOR CENTRAL AVENUE VILLAS

(filed separately)