

# MEGHAN COVES

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## DECLARATIONS

STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO  
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DECLARATION OF UNIT OWNERSHIP ESTATE  
FOR MEGHAN COVES CONDOMINIUM ESTATES



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MEGHAN COVES CONDOMINIUM ESTATES

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DECLARATION OF UNIT OWNERSHIP ESTATE  
FOR MEGHAN COVES CONDOMINIUM ESTATES

KNOW ALL MEN BY THESE PRESENTS, That Walter C. Gray and Patricia L. Gray, husband and wife, and Eastern Oklahoma Service Corporation, an Oklahoma corporation, hereinafter designated as the "Declarant," do hereby make, publish and declare as follows:

That the Declarant is the owner of the fee simple title in and to the following described land situated in Delaware County, Oklahoma, to-wit:

Part of the East  $\frac{1}{2}$  of the SW $\frac{1}{4}$  of Section 17, Township 24 North, Range 24 East, Delaware County, Oklahoma, being more particularly described as follows: Beginning at the SE corner of the SE $\frac{1}{4}$  of the SW $\frac{1}{4}$  of Sec. 17, Twp. 24 N., Rge. 24 E.; thence along the centerline of Lake Road No. 6 N. 89° 26' 56" W. a distance of 1116.66'; thence N. 00° 53' 17" E. a distance of 622.00'; thence N. 88° 56' 56" W. a distance of 210.00'; thence N. 00° 53' 17" E. a distance of 365.45'; thence S. 89° 35' 56" E. a distance of 329.62'; thence N. 00° 46' 56" E. a distance of 284.50'; thence N. 35° 05' 56" E. a distance of 34.56'; thence N. 26° 00' 00" E. a distance of 111.21'; thence N. 31° 29' 36" E. a distance of 58.49' to a point on the Grand River Dam Authority Taking Line; thence along said Taking Line S. 42° 36' 00" E. a distance of 17.56'; thence S. 42° 38' 00" E. a distance of 336.80'; thence S. 19° 36' 00" E. a distance of 284.00'; thence N. 61° 21' 00" E. a distance of 128.40'; thence S. 34° 32' 00" E. a distance of 231.20'; thence S. 86° 35' 00" E. a distance of 160.40'; thence S. 76° 02' 00" E. a distance of 143.71'; thence leaving the aforesaid Taking Line South a distance of 760.79' to the point of beginning and containing 28.091 acres. Property is subject to the right of way of Lake Road No. 6 on the South side;

upon which Declarant desires to construct single family residences and townhouses, consisting of one hundred seventy nine (179) separate units along with certain common facilities including parking areas, drives, walks, gardens, yard areas, boat docks, and other improvements, all of which are herein referred to as the "Property." The Declarant desires to convert all of the Property to Unit Ownership Estates (hereinafter called "Condominiums") under the Oklahoma Unit Ownership Estate Act; and

The Declarant will cause the Property to be subdivided into separate Units corresponding to each unit assigned a Unit Designation which is described on Exhibit "A" attached hereto and incorporated herein in full (said exhibit being certified by a registered land surveyor); and

The Declarant will sell and convey each Unit to separate owners subject to their respective rights as Unit Owners hereunder in the Common Elements and otherwise subject to the protective covenants, conditions, restrictions, reservations, liens, easements, privileges, rights and charges as hereinafter set forth.

THEREFORE, The Declarant hereby declares that the Property is submitted to the provisions of the Oklahoma Unit Ownership Estate Act and shall be held, sold, conveyed, and owned subject to this Declaration for the purpose of preserving the value and habitability of the Property. The terms of this Declaration shall be binding on all persons having or acquiring any right, title or interest in a Condominium or in the Property and shall inure to the benefit of each Unit Owner.

Article I  
OKLAHOMA UNIT OWNERSHIP ESTATE ACT

1.1. The provisions of the Oklahoma Unit Ownership Estate Act (the "Act") as presently existing (Oklahoma Statutes Annotated, Title 60, Chapter 11, Paragraphs 501 to 530, inclusive) shall govern the rights, duties and responsibilities of the Unit Owners and the Declarant, except where permissive variances from the Act are allowed and appear in this Declaration, or the By-Laws and the Articles of Incorporation of Meghan Coves Association, Inc., (the "Association").

1.2 The definitions contained in the Oklahoma Unit Ownership Estate Act shall be the definition of like terms used in this Declaration unless otherwise defined in Article II.

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Article II  
DEFINITIONS

Unless it is plainly evident from the context in which a term is used that a different meaning is intended, as used herein:

- (a) "Association" means the Meghan Coves Association, Inc., an Oklahoma non-profit corporation, organized under the laws of the State of Oklahoma for the purpose of administering the Property and the Condominiums;
- (b) "Building" means one or more buildings or structures comprising a part of the Property;
- (c) "Common Elements" means and includes the General Common Elements and Limited Common Elements;
- (d) "Common Expenses" means and includes:
- (1) Expenses of administration, maintenance, repair or replacement of the Common Elements;
  - (2) Expenses agreed upon as common by all the Unit Owners;
  - (3) Expenses declared common by provisions of the Act, or by this Declaration or the Articles of Incorporation or By-Laws of the Association;
- (e) "Common Profits" means the balance of all income, rents, profits and revenues from the Common Elements and facilities remaining after the deduction of the Common Expenses;
- (f) "Condominium" means a Unit Ownership Estate;
- (g) "Declaration" means this instrument, when duly recorded, by which the property is submitted to the provisions of the Act. The Declaration may be amended from time to time;
- (h) "General Common Elements" means and includes:
- (1) The land, in fee simple on which the buildings and improvements thereon except any portion thereof included in a Unit or specifically designated as being a Limited Common Element;
  - (2) The yards, gardens, uncovered parking areas, storage spaces, non-public utilities, security facilities and equipment, boat docks, swimming pools, roads and jogging paths;
  - (3) The premises for the location of janitors, maintenance and security personnel, or their supplies and equipment or persons in charge of the property, maintenance buildings and club house facilities;
  - (4) Installations of central services such as power, outdoor light, cold water for sprinkling systems, incinerating or trash receptacles;
  - (5) In general, any and all apparatus and installations existing for common use;
  - (6) All other elements of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.
- (i) "Limited Common Elements" means and includes those Common Elements which are to be reserved to the use of certain Units to the exclusion of the other Units;
- (j) "Majority of Ownership Interests" means the owners of more than fifty per cent (50%) of the aggregate interest in the General Common Elements as established by this Declaration and as listed in Exhibit "B-1" hereto. Further, any specified percentage or proportion of Ownership Interests means such percentage or proportion of the aggregate of such undivided ownership.

(k) "Ownership Interest" means the proportionate undivided interest in the aggregate Common Elements which are appurtenant to a Condominium. Such ratio is the approximate relation that each Unit at the date of the Declaration bears to the number of all Units having an interest in such Common Elements. The Ownership Interest for each Condominium is set out on Exhibit "B-1." However, such ratio is subject to change in accordance with the provisions set forth in said Exhibit "B-1."

(l) "Person" means an individual, corporation, partnership, association, trust or other legal entity, or any combination thereof;

(m) "Property" means and includes the land, the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto;

(n) "Recordation" means to file of record in the office of the County Clerk in Delaware County, Oklahoma, in the manner provided by law for recordation of instruments affecting real estate;

(o) "Unit" means an enclosed space consisting of one or more rooms which is designed for a single family residence or as a part of a townhouse. A Unit does not include any portion of the land nor Common Elements constituting a part of the Property;

(p) "Unit Designation" means the number, letter or combination thereof, designating the Unit and its appurtenant Limited Common Elements in the Declaration;

(q) "Unit Owner" means a person owning a condominium unit within the project.

(r) "Unit Ownership Estate" means the estate consisting of single units together with an undivided interest in the Common Elements.

Article III  
OWNERSHIP OF UNITS AND APPURTENANT SHARE  
IN COMMON ELEMENTS, COMMON BENEFITS AND  
COMMON EXPENSES

3.1 Each Unit, as described in Exhibit "A", shall be conveyed as separate real property capable of independent use and fee simple ownership. The Owner or Owners of each Unit shall own, as an appurtenance to the ownership of each said Unit, an undivided proportionate interest (the Ownership Interest) in and to all Common Elements, which shall include the boundary exterior walls of the Units and outer boundaries as shown on Exhibit "A". A partition wall dividing two townhouse units shall, for the purposes of this paragraph, be considered a Common Element. The space within each of the Units shall not be further subdivided. Such undivided proportionate interest in the Common Elements is hereby declared to be appurtenant to each Unit and such undivided proportionate interest shall not be separated from the Unit and such interest shall be deemed granted, conveyed, devised, encumbered or otherwise included with the Unit (which together constitute the Condominium) even though such interest is not expressly mentioned or described in the conveyance or other instrument.

3.2 The Declarant hereby, and each subsequent Owner of any interest in a Unit by acceptance of a conveyance or any instrument transferring an interest, waives the right of partition of any interest in the Property as a whole and its Common Elements under the laws of the State of Oklahoma as it exists now or hereafter, until the Unit Ownership Estates are terminated according to the provisions hereof or by law. However, tenants in common, joint tenants, or other tenancies may seek, and obtain, the partition of a single Condominium, but, in such event, the Condominium shall be sold and not distributed in kind. Any Unit Owner may freely convey an interest in a Unit subject to the provisions of this Declaration.

3.3 All Unit Owners shall have, as an appurtenance to their Units, a perpetual easement for ingress to and egress from their Units over driveways, walks and other Common Elements and from and to the public streets bounding the Property, and a perpetual right or easement in common with all Unit Owners to the use and enjoyment of all Common Elements.

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3.4 All Units and the Common Elements shall be subject to a perpetual easement in gross granted to the Association, and its successors for ingress and egress for the purpose of having its employees and agents perform all obligations and duties of the Association set forth herein.

3.5 The Common Expenses shall be shared and the Common Profits shall be owned by the Unit Owners in proportion to their Ownership Interest. The foregoing right to a share of the Common Profits does not include the right to withdraw or require any payment or distribution thereof.

Article IV  
UNIT BOUNDARIES, COMMON ELEMENTS AND  
LIMITED COMMON ELEMENTS

4.1 Each Unit of the Condominiums consists of that area which is contained within the outer boundaries of each Unit shown on Exhibit "A" attached hereto.

4.2 The terrace, patio or balcony adjacent, if applicable, to each Unit, as shown on Exhibit "A," is a Limited Common Element and is reserved for use only by the particular Unit Owner, or Owners, of such Unit.

The Association is hereby given authority to designate the entirety of the slips within the boat docks and the stall within the dry storage as Limited Common Elements, provided, that each Unit must be designated such a boat dock slip and the stall within the dry storage. Upon such election, the Association shall record a schedule of the Units describing each such slip or dry storage stall. Until such election becomes effective, each Unit shall have the unbridged right to the use of one each boat dock slip or dry storage stall. It being further understood that the Association may, from time to time, re-designate said slips or dry storage stall so that Unit Owners are provided with slips or dry storage stall most suitable to the docking or storage of their vessel giving full consideration, if two units be equally entitled, to that Unit Owner who has the greater seniority.

4.3 The Common Elements of the Condominiums consist of all of the General Common Elements (such as the real Property, improvements and facilities of the Property other than the Units) and the Limited Common Elements, as both are hereinabove defined. The uncovered parking spaces shall come under rules and regulations promulgated by the Board of Directors of the Association. Common Elements shall include easements for telephone service and furnishing of utility service to any of the Units, including electrical, water, and sewer services as well as security services, and shall further include all personal Property held and maintained for the joint use and enjoyment of all the Unit Owners.

Article V  
ADMINISTRATION OF UNIT OWNERSHIP ESTATES

5.1 The operation and management of the Condominiums shall be administered by Meghan Coves Association, Inc., an Oklahoma non-profit corporation (the "Association").

5.2 The Association shall have all of the powers and duties incident to the operation of the Condominiums as set forth in this Declaration and the Association's By-Laws and Articles of Incorporation, as well as all of the powers and duties set forth in the Oklahoma Unit Ownership Estate Act where the same are not in conflict with or limited by this Declaration and said By-Laws and Articles. True and correct copies of the Articles of Incorporation and the By-Laws of said Association are attached hereto and incorporated herein in full, marked Exhibit "C" and Exhibit "D," respectively.

5.3 In discharging their duties and responsibilities, the Board and the officers of the Association act on behalf of, and as representatives of, the Association, which acts in the interest of the Unit Owners. No Unit Owner, acting in such capacities, shall be individually or personally liable or obligated for the good faith performance or failure of performance of such duties.

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Article VI  
EFFECT OF DECLARATION

Notwithstanding anything in this Declaration to the contrary, the provisions of this Declaration shall not be applicable, effective nor binding until the Declarant files this Declaration for record in Delaware County.

Article VII  
MEMBERSHIP AND VOTING RIGHTS

7.1 All Unit Owners of the Condominiums which ownership is evidenced by Recordation of a proper instrument on the public records of Delaware County, Oklahoma, including Declarant, shall automatically be members in the Association, and their memberships shall automatically terminate when they no longer own such interest.

7.2 Each Condominium shall be allotted one vote to be cast with and by each respective Unit Owner as a member of the Association in the governing of the affairs of the Property. Except as specifically otherwise provided in the Association's Articles of Incorporation, the By-Laws or in this Declaration, the affairs of the Association shall be governed by a majority vote of Ownership Interests present at any duly authorized meeting of the members. (More than 50% of the Ownership Interest who are present at the meeting.)

7.3 The Person designated as Unit Owner on the books of the Association shall be entitled to represent his respective Condominium and to cast its respective vote. Where the Unit is owned by the Association, no vote shall be allowed for such Unit. Where a Condominium is owned by more than one Person, and should more than one such multiple owner attempt to cast the vote of a single Condominium, the By-Laws of the Association require all the owners thereof to designate in writing to be placed and designated on the books of the Association, one individual owner who shall be entitled to cast the vote on behalf of all the owners of such Unit, which designation shall be effective until it has been changed in writing by all the owners of the respective Unit. The Declarant shall be considered as Unit Owner for each Condominium to which it has title, provided, that the Declarant shall never be entitled to cast more than one-half ( $\frac{1}{2}$ ) of the votes cast on an issue which requires an affirmative vote of the majority of the Ownership Interests to pass, nor more than two-thirds ( $\frac{2}{3}$ ) of the votes cast on any issue which requires an affirmative vote of a 2/3rds Majority Ownership Interest. Provided, however, the Declarant may vote all its votes in the election of the Directors of the Association.

7.4 All the affairs, policies, regulations and property of the Association shall be controlled and governed by the Board of Directors of the Association, to be elected by the Unit Owners entitled to vote. A Director need not be a Unit Owner.

Article VIII  
COMMON EXPENSES, ASSESSMENTS, COLLECTION LIEN,  
ENFORCEMENT LIMITATIONS

8.1 The Board shall approve an annual budget (in the form of a pro-forma operating statement) in advance for each fiscal year and the budget shall project anticipated Common Income and estimated Common Expenses in sufficient detail to show separate estimates for insurance as set forth in Article IX herein. Failure of the Board to include any item in the annual budget shall not preclude the Board from levying an additional assessment in any calendar year for which the budget has been projected.

8.2 In determining such Common Expenses, the Board shall provide for an operating reserve fund for those Common Elements which must be repaired or replaced on a periodic basis. Each Unit Owner shall be personally liable for the payment to the Association of that portion of the Common Expenses which is attributable to each Unit Owner's Condominium in accordance with its Ownership Interest.

8.3 The Association shall assess the annual budgeted sum by delivering or mailing notice thereof to the Unit Owner designated on the books of the Association as the voting member representing each Condominium at such Unit Owner's most recent address, as shown by the books and records of the Association. One-twelfth (1/12th) of the annual assessment shall be due and payable in advance to the Association on the first day of each month; (payments in advance for more than one-twelfth (1/12th) will be accepted).

8.4 Special assessments may be made by the Board from time to time to meet other need or requirements of the Association in the operation and management of the Condominiums and the Association (other than additions, alterations and improvements to the Property) and to provide for emergencies, repairs, or replacements, and infrequently recurring items of maintenance. However, special assessments which are to finance any activity not connected with an actual operation, managerial or maintenance expense of the Property shall not be levied without the prior approval of a Majority of the Unit Ownership Interests.

8.5 The liability for any assessment or portion thereof may not be avoided by a Unit Owner or waived by reason of such Unit Owner's waiver of the use and enjoyment of any of the Common elements or by his abandonment of his Unit.

8.6 The Unit Owners of record shall be personally liable to the Association for the payment of all assessments, regular or special, made by the Association and for all costs of collection including attorney's fees of delinquent assessments. An individual Unit Owner may be assessed for expenses of collection. Expenses incurred by the Association as a result of the violation of the rules, By-Laws, Articles of the Association or of this Declaration by the Unit Owner or his tenants or guests may be assessed against each Unit Owner. Further, individual assessments may be made against each Unit Owner for utility services which are individually metered.

8.7 Assessments that are unpaid for over thirty (30) days after due date shall bear interest at the rate of ten per cent (10%) per annum until paid.

8.8 The Association shall have a lien on each Condominium for any unpaid assessment plus interest and collection costs (including attorney's fees) thereon, which have been assessed against the Unit Owner of such Condominium. The said lien shall be effective from and after the time of recording in the public records of Delaware County, Oklahoma, of a claim or lien stating the description of the Condominium, the name of the record Unit Owner, the amount due and the date when due, and the said lien shall continue in effect until all sums secured by the lien shall have been fully paid. All such claims of lien shall include only assessments which are due and payable when the said claim of lien is recorded and all such claims of lien shall be signed and verified by an officer or agent of the Association. Where any such lien shall have been paid in full, the Person making payment thereof shall be entitled to receive a satisfaction of such lien in such form that it may be recorded in the public records of Delaware County, Oklahoma. Any and all such liens herein provided for shall be subordinate to the lien of a mortgage or other lien recorded prior to the time of recording of the claim of lien regardless of when any applicable assessment was due. In the event assessments against a Unit are not paid within sixty (60) days after their due date, the Association shall have the right to foreclose its lien for such assessments. The Board may take such action as it deems necessary to collect assessments by personal actions or by enforcing and foreclosing said lien and may settle and compromise the same, if in the best interests of the Association. The delinquent Unit Owner shall pay all costs, including reasonable attorney's fees, for filing any action or suit enforcing and foreclosing a lien and the lien shall be deemed to cover and secure such costs and fees. The Association shall be entitled to bid at any sale pursuant to a suit to foreclose an assessment lien and to apply as credit against said bid all sums due the Association which are covered by the lien enforced.

8.9 The holder of a first mortgage acquiring title to a Condominium by foreclosure of its mortgage or by acceptance of a voluntary conveyance in lieu thereof, or a purchaser at judicial sale resulting from the foreclosure of a first mortgage, and its successors and assigns shall acquire title subject to all delinquent assessments of such Condominium. Additionally, this provision shall not allow the new Unit Owner to avoid his proportionate share of any special assessment which may be made on all Condominiums after the new Unit Owner's acquisition of title and which is made as a result of such delinquent assessments.

8.10 Except as provided in Paragraph 8.9 above, any person who acquires an Ownership Interest in a Condominium shall be personally liable, and jointly and severally liable with the grantor, for all unpaid assessments up to the time of the transfer of ownership. Provided, however, that any person purchasing or encumbering a Condominium shall have the right to rely upon any statement made in writing by an officer of the Association regarding assessments which have already been made and which are due and payable to the Association, and the Association and the Unit Owners shall be bound thereby.

8.11 Notwithstanding any provisions to the contrary contained herein, Declarant shall be required to contribute only twenty per cent (20%) of the declared assessments for all units owned by it, provided, said units subject to the reduced assessment are unoccupied.

#### Article IX INSURANCE

9.1 Each Unit Owner, upon acceptance or acquisition of title to such Unit, hereby irrevocably constitutes and appoints the Association his true and lawful attorney in fact to select, procure, place, maintain and manage all forms of insurance hereinafter required to be provided. This provision, however, shall not prevent a Unit Owner from securing additional separate insurance as he may desire. Further, unless the Board of Directors elects to obtain a blanket personal property or contents policy for the Unit Owners, no such policy shall be administered by the Association.

9.2 The Association shall procure insurance for the benefit of the Association and the Unit Owners and their mortgagees as their interest may appear, specifically including, but not limited to, fire and extended coverage upon the buildings comprising the Condominiums and personal property owned by the Association in amounts equal to the maximum replacement value thereof, general comprehensive liability insurance, fidelity bond covering officers and employees, and employees of any manager or managing agent, and workmen's compensation as required by law. All such policies of insurance must be issued by a responsible insurance company or companies licensed and authorized to do business in Oklahoma, the premium rates not to exceed the standard rates established by the Oklahoma State Insurance Commission. All such insurance policies must be issued in blanket policy form, naming the Association as the insured, together with the individual Unit Owners. All such policies shall reflect the allocation thereof to the Ownership Interest of each Condominium.

9.3 Provisions shall be made for the issuance of certificates of mortgage endorsements to the mortgagees of each Unit Owner.

9.4 Premiums on insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

#### Article X RESPONSIBILITY FOR MAINTENANCE AND REPAIRS

10.1 Each Unit Owner shall bear the cost of, and be responsible for, the maintenance, repair and replacement, as the case may be, of doors, glass doors, and windows enclosing his Unit and of all electrical and plumbing fixtures, kitchen and bathroom fixtures, and all other appliances or equipment, including any pipes, wire or other fixtures and their connections required to provide Cable TV, individual unit security system, water, light, power, telephone, conditioned air, sewage and sanitary service to his Unit and which may now or hereafter be affixed or contained within his Unit. The Unit's heat exchanger equipment is owned by the Unit Owner as are his other bath and kitchen

appliances and the repair and replacement of this equipment will be the responsibility of each Unit Owner. Painting and maintenance of the roof and other exterior portions of said building made necessary by reason other than normal wear and tear, shall also be the Unit Owner's responsibility. Also, the Unit Owner is responsible for all surfaces of boundary walls and all interior walls, and ceiling and floor surfaces.

10.2 The Association, as a Common Expense, shall be responsible for the maintenance, repair and replacement of all the Common Elements, including those portions thereof which contribute to plumbing, wiring and other facilities located in the Common Elements, including but not limited to, the furnishing of utility services to the Unit. Should any damage be caused to any Unit by reason of any work which may be caused to be done by the Association in the maintenance, repair or replacement of the Common Elements, the Association shall bear the expense of repairing such damage as a Common Expense.

10.3 In the event a Unit Owner fails to maintain his Unit as required herein, or makes any structural addition or alteration without the required written consent of the Board, the Association shall have the right to proceed in a court of equity to seek compliance with the provisions hereof.

10.4 The terraces adjoining each dwelling Unit are defined as a Limited Common Element and are for the exclusive use of the Unit Owner of said dwelling. The Unit Owner may not decorate the outside floor, ceiling, roof or wall surfaces of said Unit without conformance to such standards as the Association may create. Such standards may prohibit any such decoration and the failure to create such standards shall be deemed to prohibit any such decoration of such outside floor, ceiling, roof or wall surfaces.

10.5 Each Unit Owner hereby grants easements to other Unit Owners and the Association to enter onto each Unit, or to utility companies to enter onto each Unit to repair or replace or improve the sewage, water, electrical, telephone, Television cable, or security systems located thereon, which are accessible only thereon, subject to the limitations on entry into any Unit set forth in Paragraph 10.6 below, and any damages shall be repaired at the cost of the entering Unit Owner.

10.6 Each Unit Owner hereby grants easements to the Association to enter onto each Unit, or to utility companies to enter onto each Unit to repair or replace or improve the plumbing, sewer, water, telephone, Cable TV or security system and electrical systems or buildings contained in the Common Elements, or for any purpose reasonably related to the performance of the Association of its responsibilities under this Declaration. The Association's agents or employees shall have the right, after reasonable notice to the Unit Owner, to enter his Unit, or Limited Common Element or any General Common Element accessible from each Unit, at reasonable hours; provided, however, except during an emergency, there shall be no entry into a Unit without the Unit Owner's written consent, which consent shall not be unreasonably withheld. Any entry into a Unit shall be made with as little inconvenience to the Unit Owner as possible and any damage caused shall be repaired at the cost of the Association.

#### Article XI USE RESTRICTIONS AND REGULATIONS

11.1 Each Unit is hereby restricted to single family, residential use at any one time and only by the Unit Owner or Owners thereof, and their immediate families, with normal use of guests, invitees and tenants.

11.2 No Unit will be occupied by more individuals than can be accommodated by parking space and sleeping space. The Unit may be rented upon approval of the Association provided the occupancy is by only one lessee and members of his immediate family, his servants and guests. Tenancies of no less than thirty (30) days shall be granted by the Unit Owner and shall be by written lease, a copy of which shall be delivered to the Secretary of the Association ten (10) days prior to effective date for approval. Tenancies of less than thirty (30) days may be granted, and further expansions and restrictions as to leasing may be made but only by provisions in the By-Laws. By occupying

a Unit, all tenants acknowledge the validity of the Declaration, the By-Laws, and the Articles of Incorporation of the Association and agree to be bound by their provisions in the same fashion as if such tenants were Unit Owners. No rooms within a Unit may be rented and no transient tenant may be accommodated. No lease of a Unit shall release or discharge the Unit Owner thereof from compliance with this Article XI or any of his other duties as a Unit Owner. No tenancy shall be valid unless it conforms to this Paragraph 11.2. All tenancies in violation of this paragraph may be terminated by the Association in the same fashion as an owner may terminate a month-to-month tenancy in accordance with the Oklahoma Residential Landlord and Tenant Act.

11.3 No nuisances shall be allowed to be committed or maintained upon the Property, or within a Unit, nor any use or practice that is the source of annoyance to residents or which interfere with the peaceful possession and proper use of the Property by its residents. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse nor garbage allowed to accumulate nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit or make use of the Common Elements that will increase the cost of insurance upon the Unit Property. Firearms or fireworks shall not be permitted at any time to be discharged, but can be stored in a Unit or vehicle on the Property.

11.4 No immoral, improper nor offensive use shall be made of the Unit Property nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the Condominiums shall be observed.

11.5 No more than one household pet (exclusive of caged birds) may be kept in any Unit without prior written consent of the Board. The By-Laws may further restrict or prohibit the keeping of such pets on the Property. Pets shall not be allowed on the Common Elements except as permitted by the rules made by the Board. All pets shall be kept on leash when outside of the Unit and while on the Property. Household pets may also be lodged in the Association's kennel under such terms and conditions as the Association may adopt. Household pets which are the property of visitors to the Property shall be restrained at all times within the motor vehicle of their owners or lodged at the kennel.

11.6 Reasonable regulations concerning the use of the Condominium Property may be made and amended from time to time by the Board of Directors of the Association as provided by its Articles of Incorporation and By-Laws.

11.7 Upon reasonable notice to the Unit Owner, the Board or the agent and employees of the Association may enter any Unit for the purpose of inspection of the Unit or the Common Elements to determine the necessity for repair or maintenance or to determine compliance with these restrictions, reservations, covenants, conditions and easements and the By-Laws of the Association.

11.8 No sign, advertisement nor notice of any type shall be shown on the Common Elements nor any Unit, and no exterior antennas and aerials shall be erected except as provided under uniform regulations promulgated by the Association. Provided that Declarant shall have the right to install such signs, poles and advertisements as it deems appropriate in connection with its sales program for the sale of Units to the public.

11.9 A Unit Owner shall not place, or cause to be placed, in the Common Element areas or Limited Common Element areas any furniture, packages, objects or things of any kind. Provided, however, terraces may contain typical patio furniture but may not contain refrigerators, freezers, wardrobes, storage bins, or other items which, in the judgment of the Board of Directors, would detract from the general appearance of the Property. Such areas shall be used for no other purpose than for normal use for which it is intended.

11.10 It is prohibited to hang or attach any garments, rugs, or thing from the windows or on any of the terraces, or from any of the facades of the building, or to the building, or to install appliances in the windows or on the terraces, or from the facades of the building, or to attach any item to the buildings which would detract from the general appearance of the Property.

11.11 No parking space may be used for any purpose other than parking passenger automobiles or vans which are in operating condition and which are in a condition so as not to detract from the appearance of the Property as a first-class condominium complex. No other vehicles nor objects, including, but not limited to, trucks, motorcycles, trailers, campers, motor homes or similar vehicles, or boats, may be parked or placed upon any portion of the Property, particularly any unpaved area, unless permitted under rules promulgated by the Board. No uncovered parking space (those parking spaces which are part of the Common Elements) shall be used by any person other than an occupant of a Unit who is an actual resident or by a guest or visitor and by such guest or visitor only when such guest or visitor is, in fact, visiting and upon the premises.

11.12 Until the Declarant has closed all of the sales of Units, neither the other Unit Owners nor the Association shall interfere with the sale of such Units.

Article XII  
LIMITATIONS UPON RIGHT OF OWNER TO ALTER OR MODIFY UNIT

12.1 No Unit Owner (without prior approval of the Board) shall enclose the terraces, which constitute a part thereof, with glass, jalousies, wood, screen or any other material or make any structural modifications or alterations of the Unit; or cause any improvements or changes to be made on or to the exterior of the Unit building or to the terraces, including painting or other decoration, the installation of awnings, shutters, electric wiring, telephones, light, and other things which might protrude through or be attached to the walls of the Unit building. In giving approval for any such alterations, the Board may impose any requirements or restrictions which it deems appropriate.

Article XIII  
ADDITIONS, ALTERATIONS OR IMPROVEMENTS BY THE ASSOCIATION,  
LIMITATION UPON LIABILITY OF THE ASSOCIATION

13.1 When the Board of Directors shall determine that additions, alterations or improvements in excess of the usual items of maintenance are required, and the making of such additions, alterations or improvements has been approved by a 2/3 majority of the Ownership Interests, then the Board shall proceed with such additions, alterations or improvements and shall specially assess all Unit Owners for the cost thereof as a Common Expense.

13.2 The Association shall not be liable for injury or damage to the Property of a Unit Owner caused by any latent condition of the Property, notwithstanding the Association's duty to repair and maintain the Common Elements.

Article XIV  
AMENDMENT OF DECLARATION

14.1 These restrictions, reservations, covenants, conditions and easements may be modified or amended in a manner not in conflict with the Oklahoma Unit Ownership Estate Act by recording such modification or amendment in the public records of Delaware County, Oklahoma, signed by Unit Owners having seventy-five per cent (75%) of the Ownership Interests. Such modification or amendment shall be first adopted by the Board and recommended to the Unit Owners and then submitted to a vote of the Unit Owners in accordance with the By-Laws and Articles of Incorporation of the Association. Provided that no amendment to this Declaration shall be adopted which would operate to affect the validity or priority of any mortgage or which would alter, amend or modify, in any manner whatsoever, the rights, powers and privileges granted and reserved in favor of any mortgagee or in favor of the Declarant without the consent of the affected mortgagees or the Declarant, as the case may be. There shall be no amendment adopted altering the share of ownership in the Common Elements, or altering the share of Common Expenses except by the unanimous vote of all Unit Owners and the affected mortgagees.

14.2 Invalidation of any one or more of these restrictions, reservations, covenants, conditions and easements or any provision contained in this Declaration or in conveyance of a Unit by the Declarant by a judgment, court order or law, shall not affect any of the other provisions which shall remain in full force and effect.

14.3 In the event that any court should hereafter determine that any provision, as originally drafted herein, violated the rule against perpetuities or any other rules of law because of the duration of the period involved, the period specified in this Declaration shall not thereby become invalid, but instead shall be reduced to the maximum period allowed under such rules of law, and for such purpose, the measuring life shall be that of the youngest incorporator of the Association.

14.4 These restrictions, reservations, covenants, conditions and easements shall be binding upon and inure to the benefit of all Unit Owners and their grantees, heirs, devisees, personal representatives, successors and assigns, and all parties claiming by, through or under them.

Article XV  
TERMINATION OF UNIT OWNERSHIP ESTATES

15.1 The Unit Ownership Estates shall terminate upon the recordation of written agreement(s) of termination executed by all Unit Owners, mortgagees of record, and other lienholders, as may be required by law, consenting to such termination and upon Recordation of a certificate by the Association certifying the termination and the execution of agreements by the required persons. Such certificates shall be signed by the President and Secretary and shall have annexed thereto a certified copy of a Resolution of the Board of Directors of the Association authorizing the execution and Recordation thereof.

15.2 Upon termination of the Unit Ownership Estates, the Unit Owners shall own the Common Elements and the Property and the assets of the Association as tenants in common, their respective interests as tenants in common being the same as their respective interest in the Common Elements. Any mortgagee or lienholder of a Unit shall have a mortgage and lien solely and exclusively upon the undivided share of such tenant in common.

Article XVI  
ENCROACHMENTS

If any portion of the Common Elements now encroaches upon any Unit, or if any Unit now encroaches upon any other Unit or upon any portion of the Common Elements, or if any encroachment shall hereafter occur as the result of settling of the building, or alteration to the Common Elements made pursuant to the provisions herein, or as the result of repair and restoration, a valid easement shall exist for the continuance of such encroachment for so long as the same shall exist.

Article XVII  
ASSOCIATION TO MAINTAIN REGISTER OF OWNERS AND MORTGAGEES, BOOKS OF THE ASSOCIATION

The Association shall at all times maintain a register book setting forth the names of all Unit Owners and any purchaser or transferee of a Unit shall notify the Association of his interest in such Unit. Unit Owners shall be required to notify the Association of the name of any party holding a mortgage upon any Unit, and any release thereof and the name of all lessees, and of any release or expiration thereof in order that the Association may keep an up-to-date record book thereof.

Article XVIII  
REAL PROPERTY TAXES DURING INITIAL YEAR

Real and personal property taxes assessed against the Property as a whole shall be paid by the Association which shall in turn assess each Unit Owner according to his Ownership Interest for his proportionate share of such taxes as reimbursement to the Association, until such time as the Units are separately assessed, and Common Element property is included in each Unit Owners' assessment.

ARTICLE XIX  
RESPONSIBILITY OF UNIT OWNERS

19.1 Each Unit Owner shall be governed by and shall comply with the provisions of this Declaration as well as the By-Laws and Articles of Incorporation of the Association and the rules and regulations promulgated by the Board of Directors. Any Unit Owner shall be liable for the expense of maintenance, repair or replacement made necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessee, but only to the extent that such

expense is not met by the proceeds of insurance carried by the Unit Owner or Association which expense(s) shall be assessable to such Unit Owner by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, mis-use, occupancy or abandonment of a Unit. Nothing herein contained, however, shall be construed so as to modify any waiver of rights of subrogation by insurance companies.

19.2 In any action brought against a Unit Owner by the Association for damages or injunctive relief due to such Unit Owner's failure to comply with the provisions of this Declaration or By-Laws of the Association, the Association shall be entitled to court costs, reasonable attorney's fees and expenses incurred by it in connection with the prosecution of such action.

Article XX  
GENERAL PROVISIONS

20.1 The failure of the Association, a Unit Owner or a mortgagee to enforce any right, provision, covenant, or condition which may be granted herein, or in the By-Laws and Articles of Incorporation of the Association, or the failure to insist upon the compliance with the same, shall not constitute a waiver by the Association, such Unit Owner or mortgagee, to enforce such right, provision, covenant or condition or insist upon the compliance with same, in the future.

20.2 No breach of any of the provisions contained herein shall defeat or adversely affect the lien of any mortgage at any time made in good faith and for a valuable consideration upon said Property, or any part thereof, and made by a bank, savings and loan association, or insurance company authorized to transact business in the State of Oklahoma and engaged in the business of making loans constituting a first lien upon real Property, but the rights and remedies herein granted to the Declarant, the Association, and the owner or owners of any part of the Condominiums may be enforced against the owner of the portion of said Property subject to such mortgage, notwithstanding such mortgage. The purchaser at any sale upon foreclosure shall be bound by all of the provisions herein contained.

20.3 The provisions of the Declaration shall be literally construed to effectuate its purposes. The invalidity of any provision herein shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of this Declaration.

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

20.5 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 or plural shall be taken to mean the other whenever the content may require.

20.6 The person who shall receive service for any lawsuits in which the Association may become involved is the same person as described in the Articles of Incorporation of the Association.

20.7 Any person claiming an interest in the Property by, through or under the Declarant or by virtue of any judicial proceedings, or the Association, or the Unit Owners, or a mortgagee, or any of them, severally, shall have the right to proceed against any other such person at law for damages or in equity to compel their compliance with the terms hereof or to prevent the violation or breach of the terms hereof, or for such other relief as may be appropriate. Further, whenever any structure has been built or installation made which violates the terms hereof, the Association shall have the right to enter upon the Property where such violation exists, and summarily abate or remove the same and shall make the necessary repairs or improvements where such violation occurred, so that the Property shall be in the same condition as it was before said violation occurred, all at the expense of the Unit Owner, and any such entry and abatement or removal shall not be deemed a trespass.

IN WITNESS WHEREOF, the Declarant binds itself and its successors and assigns and has caused these presents to be executed.

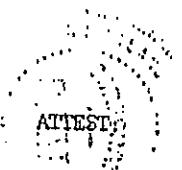
DATED this 29th day of July, 1983.

Walter C. Gray  
WALTER C. GRAY

Patricia L. Gray  
PATRICIA L. GRAY

EASTERN OKLAHOMA SERVICE CORPORATION,  
an Oklahoma Corporation,

By Steve Gross  
Its President-Vice



ATTEST:

Nancy Luotta  
Secretary

STATE OF ARKANSAS )  
COUNTY OF BENTON ) ss.

The foregoing instrument was acknowledged before me this 29th day of July, 1983, by WALTER C. GRAY and PATRICIA L. GRAY, husband and wife.

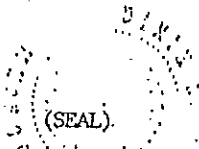


J. Coleman  
Notary Public

My Commission Expires: June 1, 1985

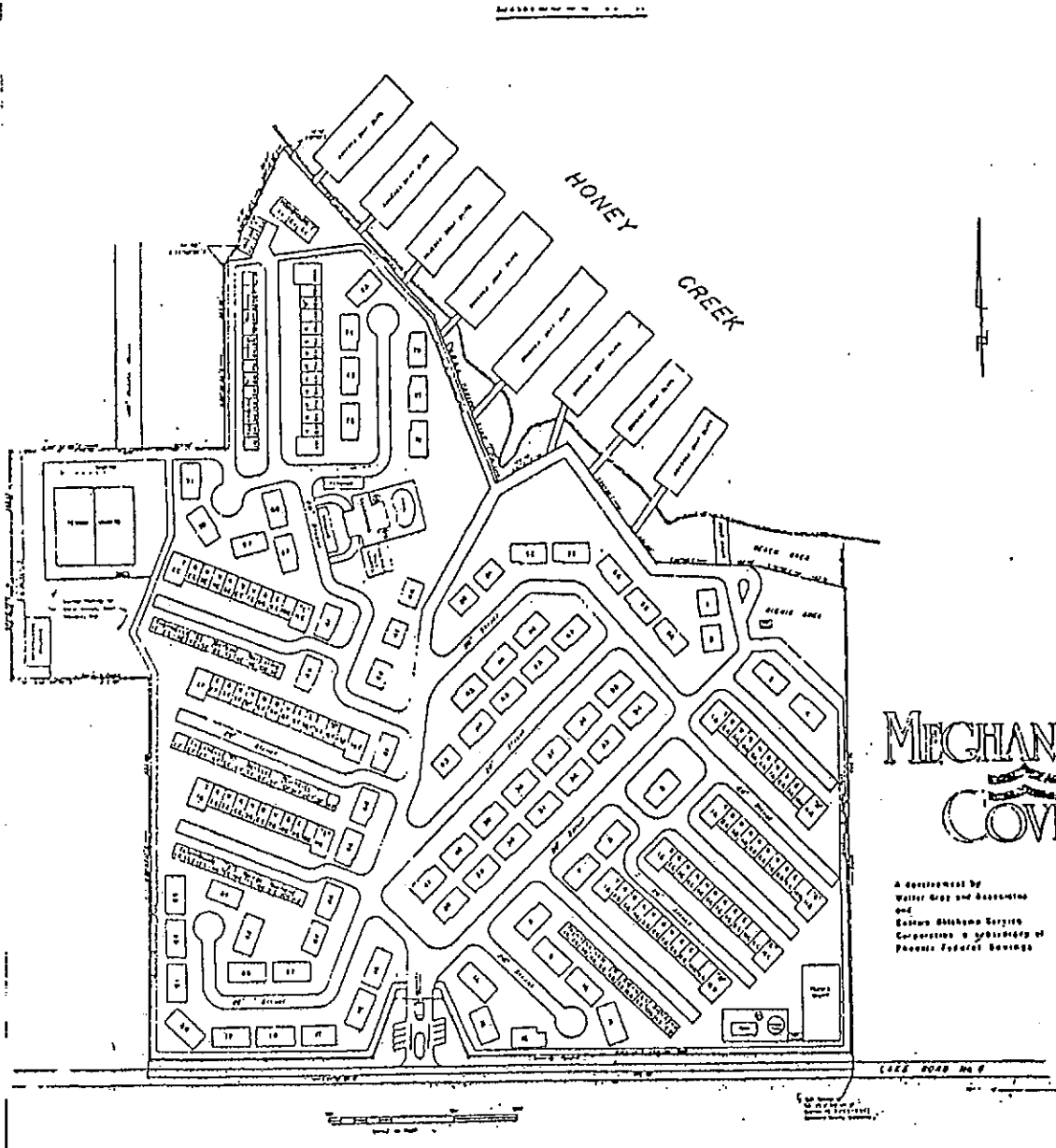
STATE OF OKLAHOMA )  
COUNTY OF MUSKOGEE ) ss.

The foregoing instrument was acknowledged before me this 29th day of July, 1983, by Steve Gross, Vice President EASTERN OKLAHOMA SERVICE CORPORATION, an Oklahoma corporation, on behalf of the corporation.



D. L. Epps  
Notary Public

My Commission Expires: May 13, 1986

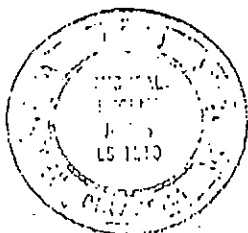


STATE OF OKLAHOMA )  
 COUNTY OF DELAWARE )

ss.

SURVEYOR'S CERTIFICATION

I, the undersigned, hereby certify that the hereon platted and described survey of MECHAN COVES, a part of the East ½ of the SW¼ of Section 17, Township 24 North, Range 24 East, Delaware County, Oklahoma, was completed under my supervision on the 29th day of July, 1983, and that the corners were set as shown to the best of my knowledge and ability. This survey is made for the exclusive use of the present owners of the property and also those who purchase, mortgage or guarantee the title thereto within one year from the date thereof, and as to them, I warrant the accuracy of said survey and map.



*Michael Eugene James*  
 MICHAEL EUGENE JAMES, LS 1210

Subscribed and sworn to before me this 29th day of July, 1983.

*Walter Map and Associates*  
 Notary Public

My Commission Expires: May 26, 1984.



EXHIBIT A-2

General description of subject units:

Cottages and Townhouse Units, two and three bedroom  
Cape Cod styling, colorblend roofs  
Authentic-look drop siding, small-paned windows, shutters  
Private patios, 2 1/2 or 3 1/2 baths  
One or two fireplaces  
Whirlpool tubs in all master baths  
Wet bar, AM/FM intercom  
Deluxe appliance package  
Oak cabinets and carpeting

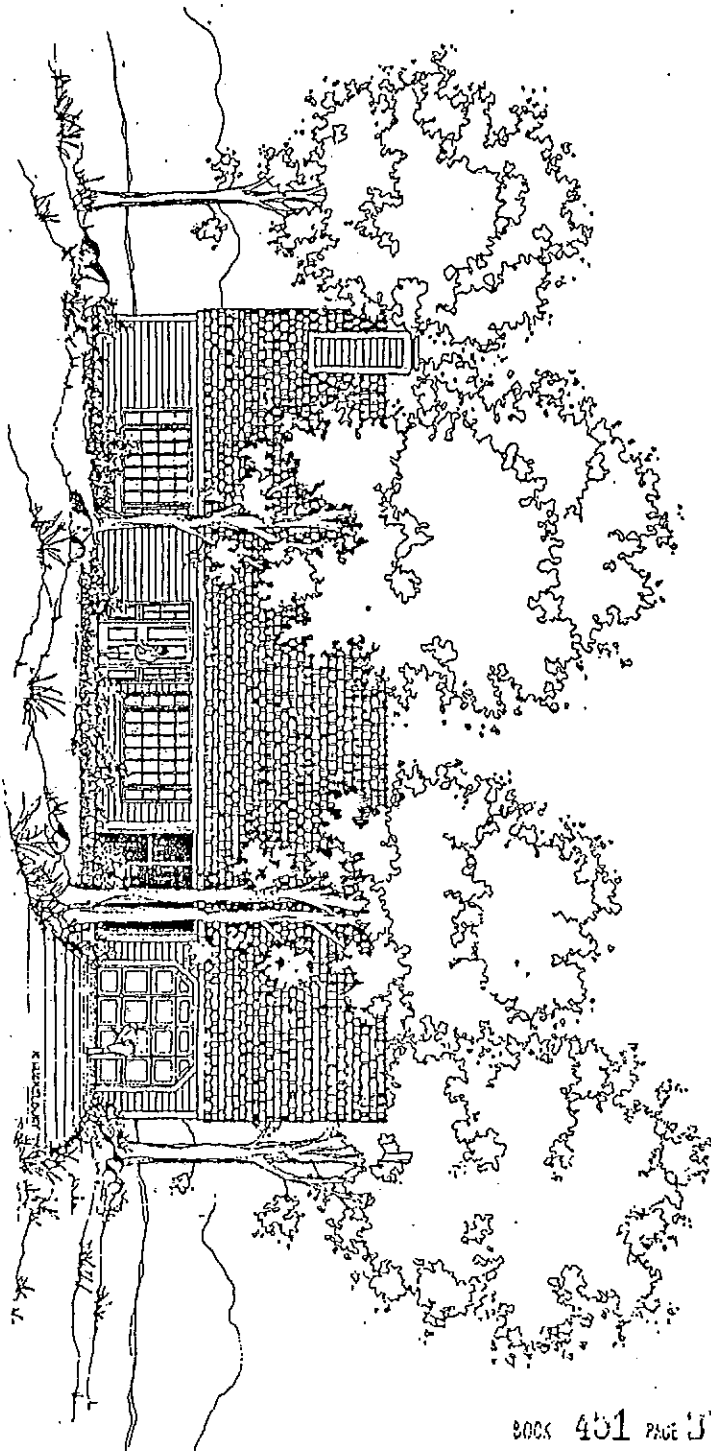
Model A-1, Two Bedroom Cottage Unit (See Exhibit A-3) contains:  
1140 square feet in living space. Square footage and  
number of rooms and their placement within structure is  
set forth and described in Exhibit A-3 hereof.

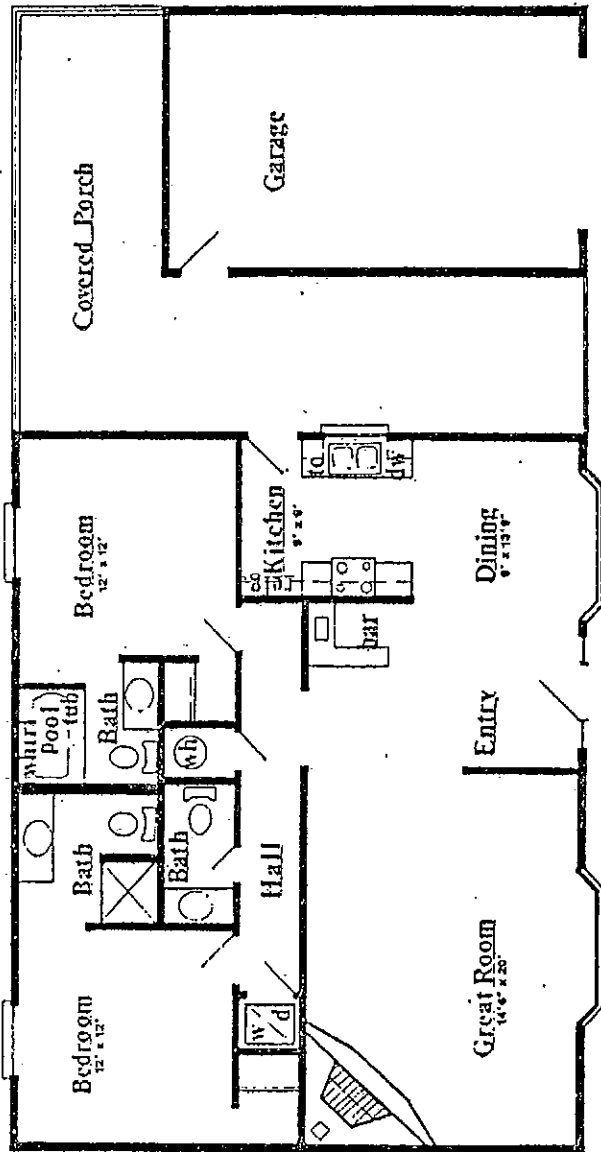
Model A-2, Three Bedroom Cottage Unit (See Exhibit A-3) contains:  
1756 square feet in living space. Square footage and  
number of rooms and their placement within structure is  
set forth and described in Exhibit A-3 hereof.

Model B-1, Two Bedroom Townhouse Unit (See Exhibit A-4) contains:  
1340 square feet in living space. Square footage and  
number of rooms and their placement within structure is  
set forth and described in Exhibit A-4 hereof.

Model B-2, Three Bedroom Townhouse Unit (See Exhibit A-4) contains:  
2024 square feet in living space. Square footage and  
number of rooms and their placement within structure is  
set forth and described in Exhibit A-4 hereof.

2 Bedroom Cottage





2-Bedroom Cottage

EXHIBIT A-3 (continued)

3 Bedroom Cottage

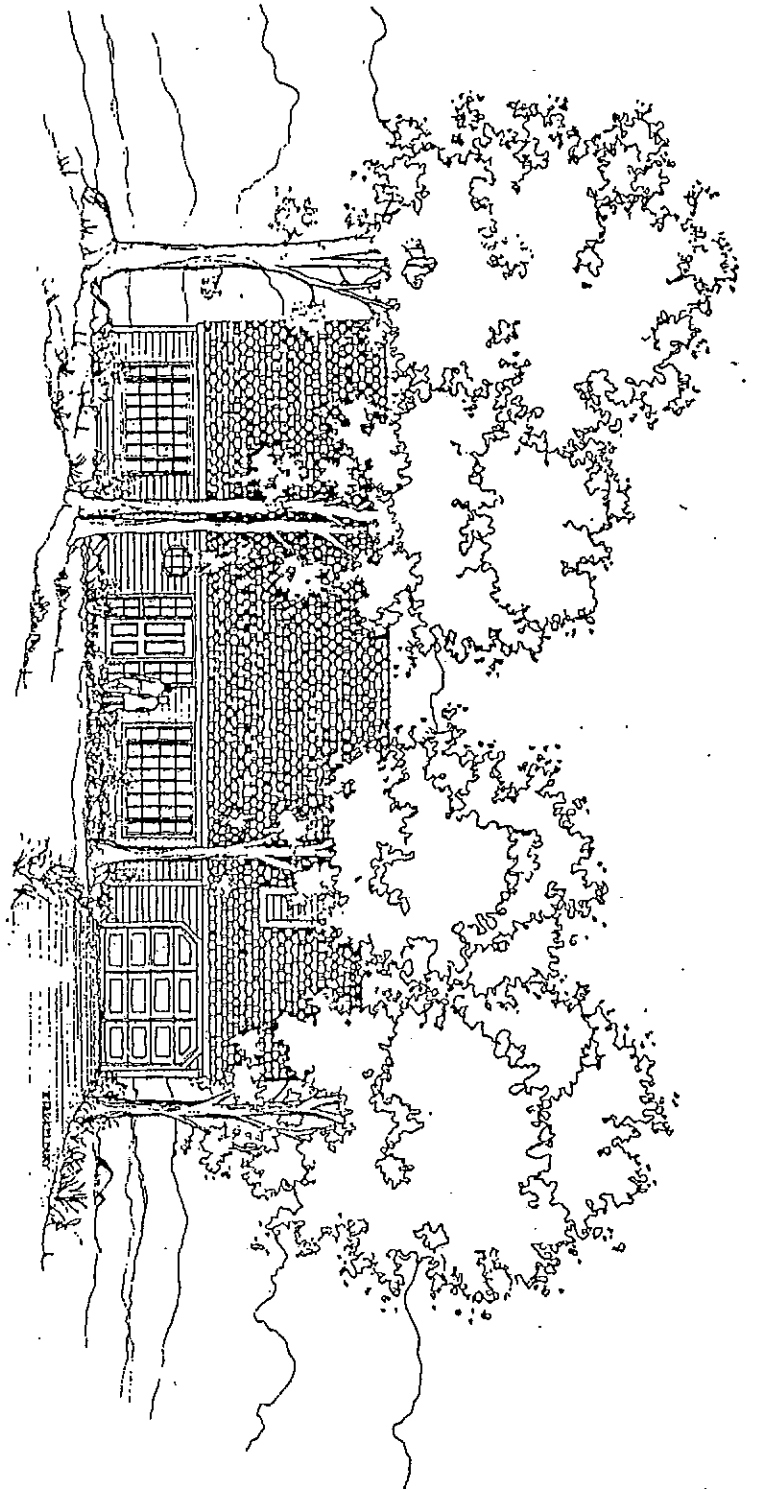


EXHIBIT A-3 (continued)

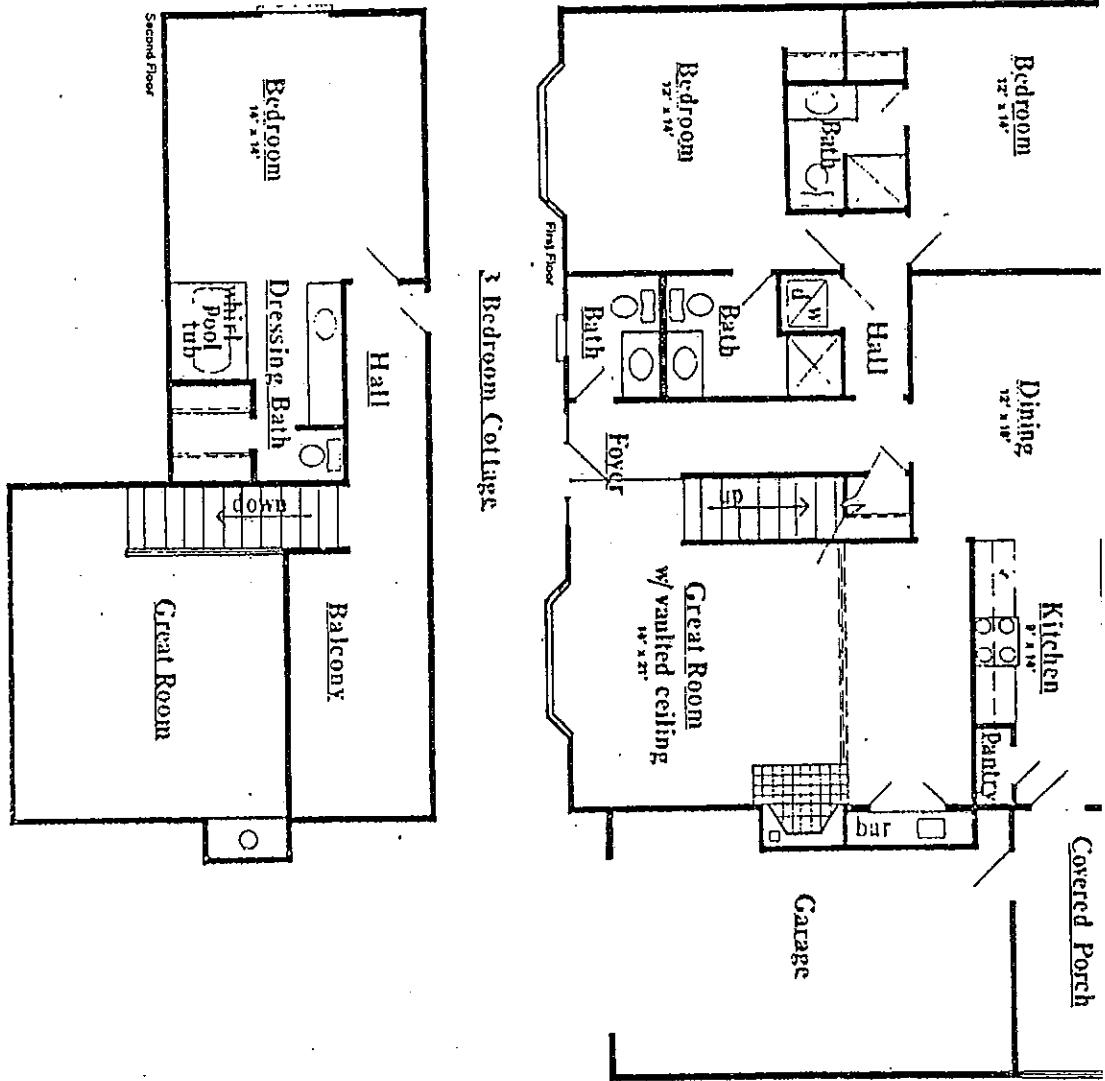
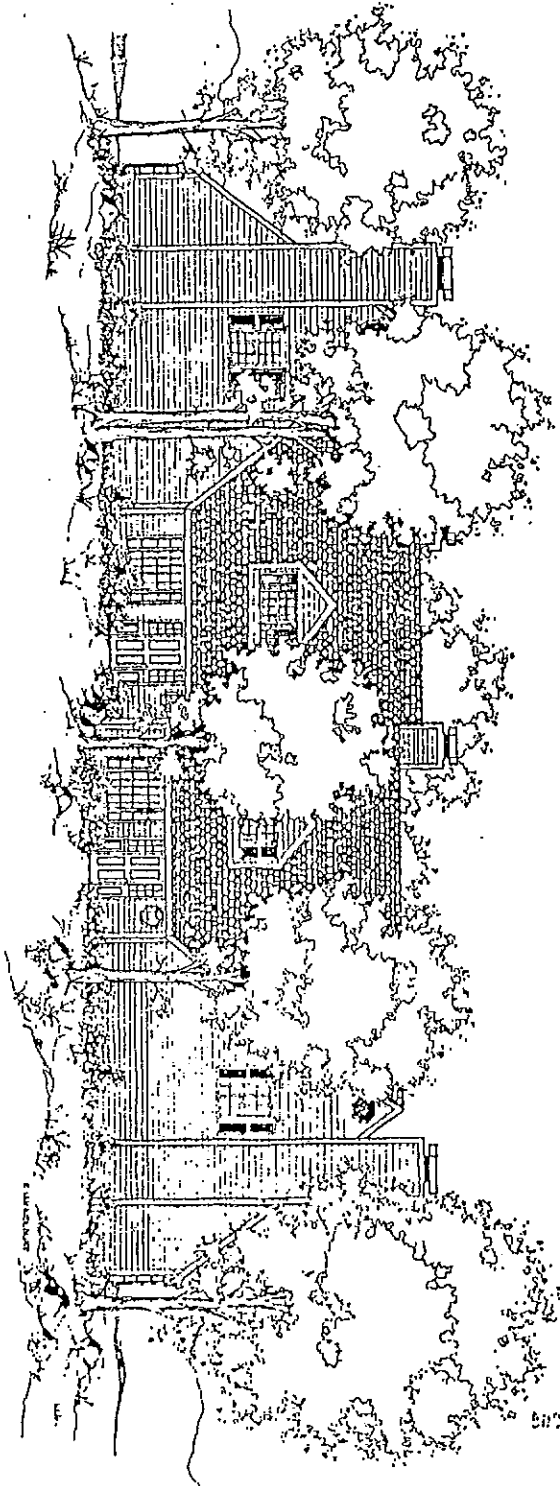


EXHIBIT A-3 (continued)

2 & 3 Bedroom Townhouse



2 Bedroom Townhouse

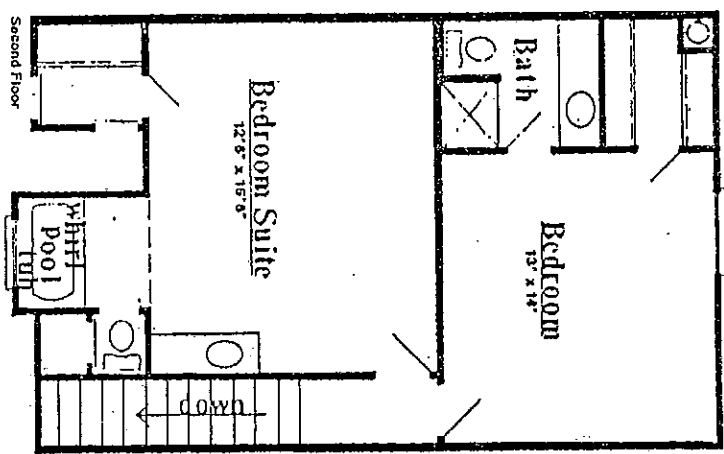
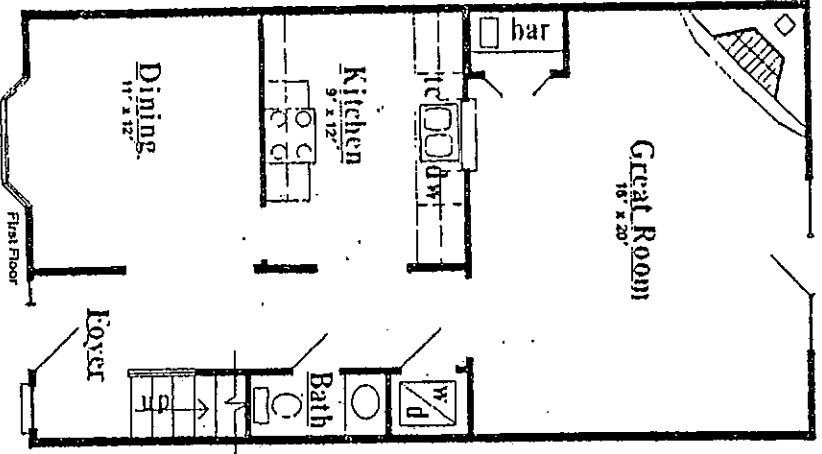
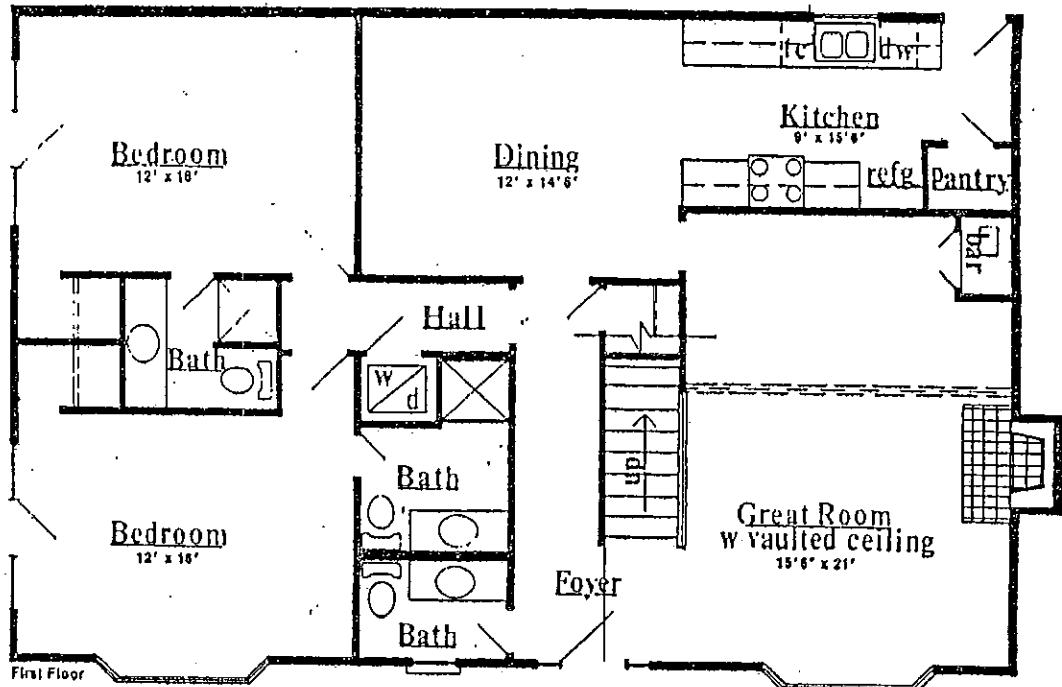


EXHIBIT A-4 (continued)



3 Bedroom Townhouse

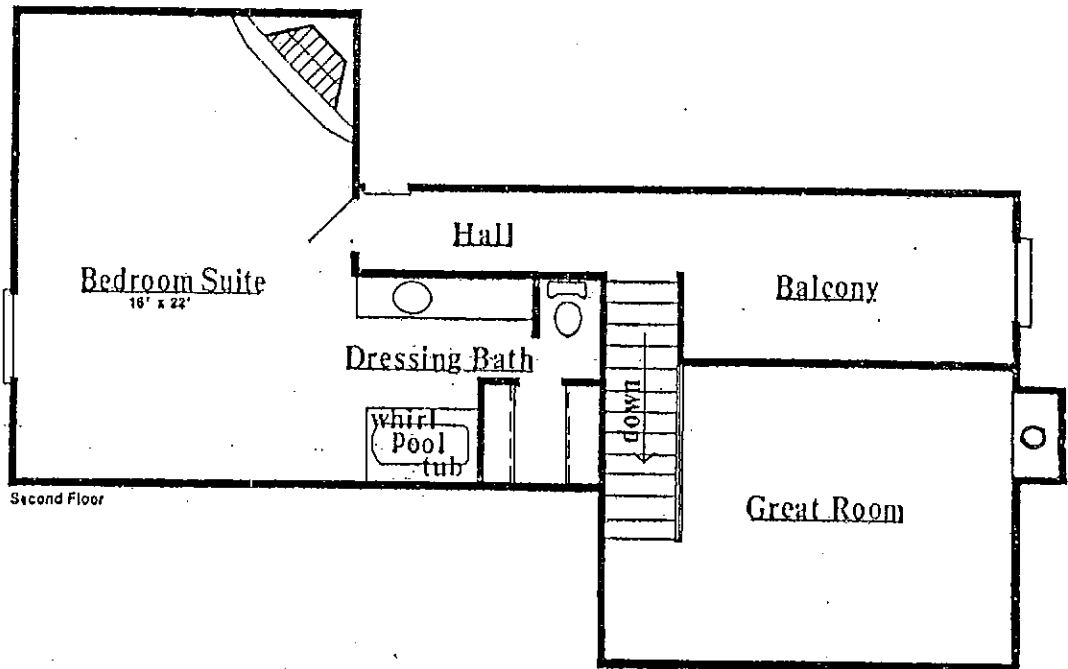


EXHIBIT A-4 (continued)

EXHIBIT B-1

General Common Elements

1. All items as defined in the Declaration, Article II (h).
2. Clubhouse, racquet-ball courts, 2 swimming pools, 3 spas, wading pool, tennis courts, project restrooms, maintenance buildings and security building.
3. Boat slips, boat launching ramps, beaches, picnic areas, walking and jogging paths.
4. Roads for general access to the development and the units therein together with parking areas associated therewith.
5. Water, natural gas, sewer lines and sewage lift stations, force main lines and other common utilities, including all easements for the furnishing of utility service to any of the units and the common elements.
6. Retaining walls, security fences and all personal property held and maintained for the joint use and enjoyment of all the Unit Owners.

Ownership interest in the general common elements and the common expenses associated therewith shall be borne by all unit owners in the proportion that the square footage of living space in their unit bears to the total square footage of all living units now constructed, and hereinafter programed for construction, in accordance with the plat of the project which is included herewith as Exhibit A-1. Exhibit A-1 contemplates the construction of 29 two-bedroom cottage units having 1140 square feet of living area, 51 three-bedroom cottage units having 1756 square feet of living area, 81 two-bedroom townhouse units having 1340 square feet of living area, and 18 three-bedroom townhouse units having 2024 square feet of living area, therefore, the initial ownership interest and responsibilities associated therewith would be as follows:

The total square footage in all the combined units divided by the square footage in that individual unit acquired, which is as follows:

All units . . . . .	267,588 square feet . . .	100.0000%
two-bedroom cottage, 29 x 1140 = 33,060 square feet . . .		12.3548%
three-bedroom cottage, 51 x 1756 = 89,556 square feet . . .		33.4679%
two-bedroom townhouse 81 x 1340 = 108,540 square feet . . .		40.5624%
three-bedroom townhouse 18 x 2024 = 36,432 square feet. . .		13.6149%
Which results in a per unit interest and responsibility as follows:		
two-bedroom cottage, . . . . .		.42603%
three-bedroom cottage . . . . .		.65623%
two-bedroom townhouse . . . . .		.50077%
three-bedroom townhouse. . . . .		.75638%

It is understood that some of the units hereinabove described have been completed and adhere to the square footage hereinabove set forth and that it is intended that the units hereinafter constructed will also adhere, however, if there is an increase in the square footage of a subsequent unit, or any redesign of the number and type of units, then an amended Exhibit B-1 will be placed of record setting forth the adjusted percentages, however, in said event, no owner of a unit who has purchased prior to the filing of said Amended Exhibit, shall pay a greater percentage than that hereinabove set forth and will receive the benefit of any lesser percentage set forth in said Amended Exhibit.

EXHIBIT B-2

Limited Common Elements


1. All items as defined in the Declaration, Article II, (i).
2. Driveways to units.
3. Sidewalks to units.
4. Exterior lighting.
5. Landscaping, trees, etc.

C E R T I F I C A T E

The undersigned certifies that on the 29th day of July, 1983, he made an on-site inspection of Meghan Coves Condominium Estates to ascertain substantial compliance of the construction thereof with the plans thereof which are set forth as exhibits to the declaration of Meghan Coves Condominium Estates.

Based upon such inspection, the undersigned certifies that the plans attached to the Declaration of Meghan Coves Condominium Estates, showing 179 condominium units, show graphically, substantially all particulars of the buildings, the dimension, area and location of each unit, the materials of which the buildings are constructed and the location of common elements affording access to each unit.

(SEAL)

  
Jay Roy Updike  
Registered Professional Engineer  
Oklahoma No. 11252  
Max Holloway Engineering Company

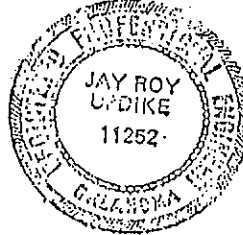


EXHIBIT "C"

Articles of Incorporation of Meghan Coves Association, Inc. are recorded in the Office of the Delaware County Clerk, Jay, Oklahoma, in Book 451 at Pages 257-261, and, by reference thereto, are made a part hereof as if set out herein in full.

EXHIBIT "D"

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Court Order  
2-28-2003  
Case No CV-98-201

AMENDED EXHIBIT B-1

- "General Common Elements"
1. All items as defined in the Declaration, Article II (h)
  2. Clubhouse, racquetball courts, 2 swimming pools, 3 spas, wading pool, tennis courts, project restrooms, maintenance building and security building.
  3. Boat slips, boat launching ramps, beaches, picnic areas, walking and jogging paths;
  4. Roads for general access to the development and the units therein together with parking areas associated therewith;
  5. Water, natural gas, sewer lines and sewage lift stations, force main lines and other common utilities, including all easements for the furnishing of utility service to any of the units and the common elements;
  6. Retaining walls, security fences and all personal property held and maintained for the joint use and enjoyment of all Unit Owners.

Exhibit A-1 contemplates the construction of 29 two-bedroom cottage units having 1140 square feet of living area, 51 three-bedroom cottage units having 1756 square feet of living area, 81 two-bedroom townhouse units having 1340 square feet of living area, and 18 three-bedroom townhouse units having 2024 square feet of living area; therefore, the ownership interest and responsibilities associated therewith upon completion of construction of all units as planned would be as follows:

The total square footage in all the combined units divided by the square footage in that individual unit acquired which is as follows:

All units .....	267,588 square feet	100.000%
Two-bedroom cottage, 29x1140 .....	33,060 square feet	12.3548%
Three-bedroom cottage, 51x1756 .....	89,556 square feet	33.4679%
Two-bedroom townhouse, 81x1340 .....	108,540 square feet	40.5624%
Three-bedroom townhouse, 18x2024 .....	36,432 square feet	13.6149%

Which results in a per unit interest and responsibility as follows:

Two-bedroom cottage ..... 1140 .....	.42603%
Three-bedroom cottage ..... 1756 .....	.65623%
Two-bedroom townhouse ..... <del>1340</del> 1340 .....	.50077%
Three-bedroom townhouse ..... <del>2024</del> 2024 .....	.75638%

Although originally planned as three-bedroom townhouses, Units H-1 and H-14 shall be and hereby are re-designated as three-bedroom cottages and the number of three-bedroom townhouses constructed in Meghan Coves as of March 1, 2003, shall be reduced by two (2) and the number of three-bedroom cottages constructed in Meghan Coves as of March 1, 2003, shall be increased by two (2). As of March 1, 2003, there remains 140,830 square feet left to build in Meghan Coves Condominium Estates.

It is understood that some of the units hereinabove described have been completed and adhere to the square footage hereinabove set forth; it is understood that some of the units hereinabove described have been completed, but contain more square footage than is hereinabove set forth; and, it is intended that the remaining planned but unconstructed units, if and when constructed, will adhere to the square footage hereinabove set forth. In the event that any new unit is constructed in a manner which does not conform with a planned Exhibit A-1 unit, then the builder of such unit shall designate the planned A-1 unit or units for which the new unit is to be substituted. The total number of planned A-1 units for which each new unit is to be substituted shall contain planned square footage as nearly equal to the actual square footage of each such newly constructed unit as is practical; the total square footage of the A-1 unit or units for which the new unit is to be substituted shall be used to determine the Total Square Footage of Constructed Units in Meghan Coves and the new unit's Proportionate Ownership Interest; and, the number of units left to be built in Meghan Coves as well as the total square footage left to be built in Meghan Coves according to Exhibit A-1 and this Amended Exhibit B-1 shall be reduced accordingly.



The owner of a newly constructed unit in Meghan Coves shall be a Unit Owner and a member of Meghan Coves Association, Inc., from the time that the newly constructed unit is first occupied. Proportionate Ownership Interest in the general common elements and the Common Expenses associated therewith shall be borne by all Unit Owners according to the following formula, *to-wit*: The per unit interest set forth above multiplied by the quotient of the following formula:  $267,588 \div \text{Total Square Footage of Constructed Units as Though Constructed in Accordance w/ Exhibit A-1}$ . The Total Square Footage of Constructed Units as Though Constructed in Accordance w/ Exhibit A-1 shall be determined semi-annually as of the 1<sup>st</sup> day of June and 1<sup>st</sup> day of December, taking into account any newly constructed and occupied units, and the resultant change in Proportionate Ownership Interest, if any, shall take effect on July 1 and January 1 of each year.

**APPORTIONMENT OF COMMON EXPENSE FOR INSURANCE ON RESIDENTIAL UNITS IN MEGHAN COVES.** The parties further stipulate and agree that the cost of purchasing casualty insurance covering the residential units at Meghan Coves, insofar as the same is a Common Expense, shall be apportioned and borne by the Unit Owners according to the proportion which the actual constructed square footage of each unit bears to the aggregate actual constructed square footage of the units in Meghan Coves. Actual constructed square footage shall be determined by the insurance company providing such insurance coverage. The cost of the insurance covering the residential unit, determined as provided herein, shall be accounted for separate and apart from the annual budget of Meghan Coves Association, Inc., and shall be specifically identified on each Unit Owner's monthly billing statement. At least annually, and whenever newly constructed units are accepted for membership in the Association, the apportionment of such insurance expenses shall be mailed to the Unit Owners and each Unit Owner shall be entitled to a detailed accounting of how the apportionment of this insurance expense is calculated. All other insurance purchased by MEGHAN COVES ASSOCIATION, INC., including casualty insurance for the Common Elements and Limited Common Elements not associated with individual units and liability insurance shall be borne by the Unit Owners in the same manner as other Common Expenses per the method of calculation set forth above in this Amended Exhibit B-1. The Declaration and the Bylaws of Meghan Coves Association, Inc., are to be deemed amended to the extent that the same contain any provision contrary hereto.

**APPORTIONMENT OF SPECIAL ASSESSMENT FOR REPLACEMENT OF SIDING ON RESIDENTIAL UNITS IN MEGHAN COVES.** It is further stipulated and agreed between the parties that, in the event of a Special Assessment to complete the replacement of siding on Units at Meghan Coves and repairs incidental thereto, such Special Assessment shall be borne by the Unit Owners according to the proportion which each unit's actual external square footage of area to be re-sided bears to the aggregate actual external square footage of area of the Units in Meghan Coves. The external square footage of area of each Unit shall be determined in accordance with industry standards by the contractor hired to perform the work. The Declaration and the Bylaws of Meghan Coves Association, Inc., are to be deemed amended to the extent that the same contain any provision contrary hereto.