

AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR MUSTANG CREEK

This Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Mustang Creek (this “Declaration”) is executed and delivered as of the ___ day of _____ 2024 by Mustang Creek Homeowners Association, Inc., an Oklahoma not-for-profit corporation (“Declarant” or the “Association”) on its own behalf and behalf of a majority of the owners of lots within the Development (as defined below). This Declaration is effective as of the date it is filed of record in the public records of Canadian County, Oklahoma.

Recitals

A. This Declaration is for the development, use, and maintenance of the subdivision known as Mustang Creek, being part of the NE/4 of Section 10, Township 11 North, Range 5 West of the Indian Meridian, Canadian County, Oklahoma City, Oklahoma (the “Development”), the legal description of which is stated in Attachment A and the depiction of which is shown on the Plats of Mustang Creek (commonly referred to as Phase I), Mustang Creek Phase II, Mustang Creek Phase III, and Mustang Creek Phase IV (collectively, the “Plats”), each such Plat being properly filed of record with the Canadian County Clerk at the Book and Page set out on Attachment A.

B. Declarant and the members of the Association are the current owners of the Development.

C. This Declaration amends and restates the following instruments (collectively referred to as the “Original Declarations”):

(1) the *Owner’s Restrictions and Protective Covenants Mustang Creek* filed by M.D. Merryfield, Inc. (then owner of the Development) with the Canadian County Clerk at Book 2828, Page 112 and re-recorded with corrections at Book 2835, Page 400;

(2) the *Owner’s Restrictions and Protective Covenants Mustang Creek II* filed by M.D. Merryfield, Inc. (then owner of the Development) with the Canadian County Clerk at Book 3095, Page 962 related to Mustang Creek Phase II;

(3) the *Owner’s Restrictions and Protective Covenants* as to Part of Mustang Creek III filed by Wade B. Huckabay, Trustee of the 1993 Wade B. Huckabay GST Exemption Non-ESBT Trust, successor by change of name to the 1993 Wade Barrett Huckabay Trust of December 17, 1993; Gary C. Huckabay, Trustee of the 1993 Gary C. Huckabay GST Exemption Non-ESBT Trust, successor by change of name to the 1993 Huckabay GST Exemption Trust of June 25, 1993; and Wade B. Huckabay, Trustee of the 1994 Elizabeth Huckabay Trust

(collectively, then owners of the Development) with the Canadian County Clerk at Book 3777, Page 218.

(4) the *Owner's Restrictions and Protective Covenants* as to Part of Mustang Creek IV filed by Wade B. Huckabay, Trustee of the 1993 Wade B. Huckabay GST Exemption Non-ESBT Trust, successor by change of name to the 1993 Wade Barrett Huckabay Trust of December 17, 1993; Gary C. Huckabay, Trustee of the 1993 Gary C. Huckabay GST Exemption Non-ESBT Trust, successor by change of name to the 1993 Huckabay GST Exemption Trust of June 25, 1993; and Wade B. Huckabay, Trustee of the 1994 Elizabeth Huckabay Trust (collectively, then owners of the Development) with the Canadian County Clerk at Book 4314, Page 717.

D. The declarants that filed each of the instruments comprising the Original Declarations no longer have any interest in the Development.

E. The Original Declarations provide that each is a set of covenants that run with the land and may be amended by approval of a majority of the then Owners of the Lots within the Development.

F. The Association is the current owner of the Common Areas within the Development. The Association and a majority of the current owners of the Lots within the Development desire by this Declaration to amend and restate the Original Declarations, with this Declaration to be the one and only governing statement of the covenants, conditions, and restrictions applicable to the Development from the date this Declaration is filed of record with the Canadian County Clerk.

Declaration

By this Declaration, Declarant publishes and declares that the Development is subject to the covenants, conditions, and restrictions set out in this Declaration and that such covenants, conditions, and restrictions are covenants running with the land for the use and benefit of Declarant and the Owners (as defined below).

Each Owner is deemed, by the acceptance of the conveyance, lease or other occupancy right of a Lot (as defined below) or delivery of possession of it, to have accepted such Lot and the possession of it subject to all of the covenants, conditions, and restrictions set out in this Declaration.

1. Definitions. In addition to terms defined elsewhere in this Agreement, the following words, as used in this Declaration, have the following meanings:

“Accessory Building” means a building that is incidental, appropriate, and subordinate to the principal use of the Lot, including outbuildings, sheds, cabanas, permanently installed playhouses, or the like.

“Assessment” refers to and includes dues, fees, fines, interest, and late fees and any other amount charged to an Owner or other person as provided for within these covenants and is not limited to one-time or special assessments.

“Association” means the Mustang Creek Homeowners Association, Inc., which may also be referred to as “HOA,” or “MCHOA.”

“Board” means the Association’s Board of Directors, as provided for in the Bylaws.

“Bylaws” means the Association’s Bylaws, as may be amended from time to time.

“Building Committee” means the Association’s committee for building approval which is composed of the Association’s President, Vice-President, Secretary, and Treasurer or by a separate committee composed of representatives appointed by the Board to act on their behalf. When a separate committee is in place, the Board shall have the power to hear and act on any appeal.

“Building Committee Approval” means the prior written approval of the Building Committee as required by this Declaration.

“City” means The City of Oklahoma City, a municipal corporation.

“Common Areas” means all real property, whether improved, unimproved, owned, leased, or controlled by the Association for the common use and enjoyment of the Association and the Owners as shown on the Plats.

“Community Wide Standard” means the standard of conduct, maintenance, and other activity generally prevailing in the Development. The Community Wide Standard must meet the minimum standards established in this Declaration, which may be more specifically determined by the Board. This specifically includes, but is not limited to, curb appeal, including signs, ornaments, and other visible appeal to the public that would impact enjoyment, beauty, and overall value of the community and properties. The Community Wide Standard is further outlined in Section 10.

“Dwelling” means a detached residential dwelling intended as an abode for one family, constructed within the Development and given a Certificate of Occupancy by the City.

“Established Drainage Patterns” means the drainage pattern as engineered and constructed by the Builder prior to the conveyance of title from the Builder to the Owner.

“Laws” means any applicable federal, state, and local laws, including rules, regulations, orders, statutes, ordinances, codes, and policies by any governmental authority having or claiming jurisdiction over the parties or the Development. Any reference to Laws refers to Laws as amended from time to time and to all rules and regulations promulgated under those Laws unless the context requires otherwise.

“Lot” means any plot of land shown on the Plats, except for the Common Areas.

“Owner” means each of (1) the Association; (2) any person or entity that now has or in the future acquires a fee simple interest in the Development; and (3) the respective successors and assigns of all such Owners, whether by sale, assignment, inheritance, operation of law, trustee’s sale, foreclosure or otherwise (collectively “Owners” and each an “Owner”) (but not including the holder of any lien or encumbrance on the Development). All references to “Owner” mean the then-current Owner of fee title to a Lot. Lessees, Guests, Roommates, and all non-family members of the Owner are still governed by and responsible for compliance with these Covenants. It is possible that a deed lists more than one name, and in such case, those people are Owners. Where a lot is owned by an entity, a named person may be provided to the Association to serve as the Owner in a manner similar to that of a deed with a named person as Owner. See Section 5.3

“Project” means the construction of a Structure or a Modification of a Structure.

“Rules” means any rules applicable to the Development adopted by the Association, as may be amended from time to time.

“Street” means any street, avenue, lane, drive, boulevard, court, circle, road, or similar as shown on the Plats.

“Structure” means a Dwelling, porch, veranda, garage, swimming pool, screened enclosure, fence, wall, deck, Accessory Building, and all other improvements.

“Variance” is a permit issued by the Board of the HOA to, under limited and extraordinary circumstances, deviate from compliance with one or more of the HOA's architectural standards or other provisions of these Covenants or Rules. This is a one-time exception made for a particular case.

2. Interpretation. Declarant intends for this Declaration to be read as a whole such that the requirements in one part and not mentioned in another must be executed to the same extent and purpose as though required by all. The misplacement, addition, or omission of a word or character will not change the intent of any part from that set out in this Declaration as a whole. The titles and headings in this Declaration are for convenience of reference only and do not constitute a part of it or affect its interpretation. The use of the words “including,” “include,” and “includes” is intended to imply that the list or words following it are illustrative and not exclusive.

3. Term. The rights, privileges, duties, obligations, and easements granted in this Declaration run from the date of filing with the County Clerk, perpetually until amended or terminated, as set out in this Declaration. If a perpetual period is not permitted by law, the period of successive ten-year periods shall govern until amended or terminated.

4. Owners' Compliance Required. By accepting a deed conveying title to a Lot or any part of a Lot, the grantee will be deemed to have accepted such deed subject to the covenants, conditions, and restrictions set out in this Declaration. By such acceptance, such grantee (then an Owner) will, for itself and its successors, assigns, heirs, and personal representatives, covenant, consent, and agree to keep, observe, comply with, and perform the obligations and agreements set out in this Declaration with respect to such Owner's Lot.

Owners are responsible for ensuring compliance with all standards and procedures within this Declaration. Owners are also governed by the requirements and restrictions set forth in the Bylaws and any Rules adopted by the Board. In particular, Owners must act in accordance with the Community Wide Standard when undertaking any new construction or exterior modifications, including the installation or removal of landscaping.

Upon an Owner's transfer of fee title to its Lot, the transferring Owner will be automatically released from and after the date of such transfer of all liability for any future performance of any duty or obligation imposed upon such Owner under the terms of this Declaration, it being the intent of Declarant that the duties, covenants, and obligations in this Declaration will be binding only during each Owner's fee ownership. However, the transferring Owner will remain liable for any duties, covenants, and obligations incurred during such Owner's ownership prior to the date of conveyance.

5. The Mustang Creek Homeowners Association. The Association was incorporated under the laws of the State of Oklahoma as a not-for-profit corporation to perform and exercise this Declaration's purposes, functions, and objectives.

5.1 Association's purpose. The primary purposes of the Association are to preserve and further the 1) value, 2) enjoyment, and 3) safety of the neighborhood for the benefit of the Owners. This includes establishing and enforcing rules defined in this Declaration and Bylaws of the association, collecting dues, managing the association's financial obligations, overseeing common areas, acquiring and improving the assets and amenities, and generally maintaining a cohesive atmosphere in the neighborhood. Owners, residents, and their guests have a duty to support the Community Wide Standard, and the enforcement powers held by the board are to be used to help ensure compliance.

5.2 Membership. Every Owner is automatically and mandatorily a Member of the Association. All Owners are accordingly subject to this Declaration, the Association's Articles of Incorporation, the Bylaws, and any Rules.

5.3 Entities as Owners. Where no personal name is listed on a deed, the trust, company, or other entity shall provide the name of a permanent resident living in the Dwelling to serve in this capacity. The name provided may not be changed more than once in any 10-year period without the approval of the Board. A lessee or renter is never an Owner, and Dwellings that do not have the Owner living in them as permanent residents fall under the restrictions outlined in section 9.8.

5.4 Responsibility. Each individual Owner has the responsibility of adhering to this Declaration. An individual owner is described as follows: (1) Owner; (2) if the Owner is an entity, then it is the entity's parents, subsidiaries, and affiliates; (3) if the Owner is deceased or entity is no longer, then it is the heirs and devisees (if applicable), successors, and assigns of the Owner or entity; and (4) the officers, directors, partners, employees, agents, invitees, contractors, insurers, subcontractors, and all others acting on behalf of (1), (2), (3), and (4).

5.5 Voting Rights. The Association will have one class of voting membership comprised of the Owners of Lots of the Association. Each Member will be entitled to one vote for each Lot. When more than one person or other entities own an interest in any Lot, all such persons or entities cumulatively will equal one Member with one vote. The vote for such Lot may be exercised among the Lot's Owners as they determine, but in no event may more than one vote be cast with respect to each Lot.

5.6 Association Rights and Obligations. In addition to other rights set out in this Declaration, the Association has the right to establish its Bylaws and Rules for the Development, including the required Assessments to be paid by Owners/Members, and provide for enforcement of any such Assessments. The Board of Directors has the power to clarify purpose and resolve disputes, create Bylaws, set Rules and enforcement, and create Assessments, fees, and fines. Additionally, the Board may appoint and authorize committees, groups, or individuals to act on its behalf, subject to appeal or review by the Board.

5.7 Member Concerns, Complaints, and Reports. To keep the Association and Board focused on its mission, individual membership requests or concerns regarding another member's infraction, conduct, or other shall be in writing first, before being heard by the Board or any appointed authority of the Board. The Association shall not get involved in member-to-member disputes that do not relate to the mission and purpose of the Association. The Board is not authorized to act as a general concierge desk for issues that are not within the mission and purpose of the Association. If a violation or concern is also in regard to a violation of the city code or law, the concerned member shall direct complaints and concerns first to the appropriate authority, whether code enforcement, police, or others. If the concern has to do with a violation of the Community Wide Standard or other Association Rules or a concern that could relate to the Association's business or area of governance, the report must be in writing. Forms are available by contacting the HOA or referring to the HOA website, or a member may write a letter or attach other pertinent information to any concern or request.

5.8 Authority to Issue Fines. The Board has the full authority to assess Assessments, Dues, Fees, and Fines. See Section 11.

6. Ownership, Use, and Management of the Common Areas.

6.1 Ownership; Association's Rights. The Association owns all Common Areas as shown on the Plats and will control, maintain, manage, and improve the Common Areas as provided in this Declaration and in accordance with its Bylaws and Rules.

6.2 Association's Liability. The Association will not be liable for injury or damage to any persons, entities, or property: (1) caused by weather conditions or by any Owner or any other person or entity not acting as either an agent or employee of the Association; (2) resulting from any rain or other surface water that may leak or flow from any portion of the Common Areas; or (3) caused by a pipe, plumbing, drain, conduit, equipment or utility line or facility becoming out of repair; or (4) loss or damage by theft or otherwise of any Owner's property that may be stored in or upon any portion of the Common Areas. No diminution or abatement of Assessments, fees, or charges will be allowed by reason of any alleged failure of the Association to take some action or to perform some function required to be taken or performed by the Association under this Declaration or for inconvenience or discomfort arising from the making of improvements or repairs that are the Association's responsibility or from any action taken by the Association to comply with applicable Laws. The obligation to pay such Assessments, fees, and charges is a separate and independent covenant on the part of each Owner.

7. Design and Construction Requirements. Owners must comply with the following design and construction requirements unless a Variance to a requirement is granted by the Board of Directors or Building Committee, in its sole discretion, as set out in Section 8.

7.1 Single-Family Dwellings. No Structures may be replaced, erected, altered, or permitted to remain on any Lot other than one detached single-family Dwelling. Dwellings may not exceed two stories in height, with a private garage for not less than two automobiles and not more than four automobiles and other Accessory Buildings incidental to residential use of the lot. This requirement does not apply to Lots owned or to be owned by the Association for use as community structures and community purposes. All other Structures are prohibited.

7.2 Setbacks. Set-backs from front and side building lines, as shown on the Plats, are absolute minimums, and the Building Committee may require further setbacks as it, in its sole discretion, determines as appropriate for the architectural and aesthetic harmony of the Development.

7.3 Living Area. The ground floor living area of each dwelling must not be less than 1800 square feet as a 1-story home, and not less than 2000 square feet if constructed as a 2-story home. The total living area must be up and down for any home of more than one story without the Building Committee's approval. The living area does not include basements, open porches, attached carports or garages, overhangs, detached structures, or the like.

7.4 Roofs. The roof pitch of a Dwelling must be an 8/12 pitch or steeper. No roofing material, valley, or ridge may be used on any Structure without Building Committee Approval.

7.5 Fireplaces. Fireplace chases for wood-burning fireplaces must be brick or similar veneer (not wood or Masonite). B-vent fireplaces and direct vents are allowed.

7.6 Exterior Walls. At least 80% of the first-floor exterior walls of each Dwelling must be brick, brick veneer, stone, stone veneer, or other material approved by the Building Committee, provided, however, that all windows or doors located in the exterior walls will be

excluded in the determination of the area of 80% of the exterior walls. Where a gable-type roof is constructed, and a part of the exterior walls are extended above the interior room ceiling line due to the construction of such roof, then that portion of such wall(s) extending above the interior room ceiling height may be constructed of wood material. That portion of the walls is excluded in the determination of the area of 80% of the exterior walls.

7.7 Fences. All fencing materials and fencing locations must be approved by the Building Committee. Lots that are adjacent to any Common Area or green belts will require special consideration. The Building Committee reserves the right to require see-through fencing of a type and quality acceptable to the Building Committee on all fencing. Fences may not extend beyond the front face of the exterior wall that contains the Dwelling's front entrance. Any fences, whether constructed by the Owner or the Builder, must be well-built and well maintained consistent with the Community Wide Standard. It is the Owner's responsibility to keep the fences always maintained. If a fence is damaged or destroyed, the Owner must repair or recondition it within a reasonable time at the Owner's expense.

7.8 Mailboxes. All Dwellings must have a brick mailbox with masonry house number block which must be installed and maintained by the Owner. The design must be approved in advance by the Building Committee.

7.9 Drainage. All small drainage channels, emergency overflow, and other swells which are important to abutting properties but are not a part of the drainage system maintained by the Association, public authority or utility company shall be the Owner's responsibility; and it shall be the responsibility of the Owner to: (a) keep the easements, channels, and swells free of any structure, planting or other material which may change the direction of flow or obstruct or retard the flow of surface water in the channels or swells whether they be in easements or contained on the individual property owner's lot and; (b) provide continuous maintenance of the improvements in the easements or of the channels or swells; except for the improvements for which the Association, a public authority or utility company is responsible.

7.10 Easements. Easements have been placed either at the front and/or back of each Lot for the utilities to access the Dwellings as designed, as shown on the Plats. The maintenance of each Lot's easement is the responsibility of the Owner.

7.11 Accessory Buildings (including Outbuildings). Approval is required before the construction of any Accessory Building, other than those that are not visible to the public and are of a smaller size identified under paragraph b below.

a. Background. Accessory Buildings can provide a valuable resource to a homeowner, often allowing the storage of lawn care and other equipment and supplies that would otherwise take up excessive space within a garage. A few Accessory Buildings placed within the neighborhood without significant consideration to size, style, and appearance may have minimal impact to the overall beauty of the area. However, when this same placement is extended to many or most homes, such overall appearance can change an otherwise beautiful neighborhood into an eye sore and have negative impacts on the overall Community Wide Standard.

b. Exception: Accessory Buildings Not Subject to Review. Accessory Buildings are permitted without any review or approval necessary so long as the building is at or below 6 feet tall, at or below the fence line, no larger than 150 square feet, and not visible from the public street.

c. Requirements. Other than those buildings meeting the requirements of paragraph b, Accessory Buildings require the prior approval of the Building Committee. Forms are available by contacting the HOA or referring to the HOA website. Each application for Building Committee approval of an Accessory Building must include a map showing the proposed placement on the Lot and state the style and all relevant details as to the material, colors of each part of the building, roof type, and foundation type. All Accessory Buildings must comply with all applicable Laws and this Declaration. Placement of Accessory Buildings is subject to existing easements. Any utilities that service Accessory Buildings must be installed underground. Accessory Buildings must conform to side and rear setbacks required by the City and may not unreasonably obstruct view corridors.

d. One Accessory Building. Only one Accessory Building is permitted per Lot, with exception of those falling under paragraph b. The approval, if and when granted, will be valid until such time as the Owner wishes to replace or modify the structure. Owners must keep Accessory Buildings in good repair no differently than normal repairs and attention to upkeep as with the Dwelling.

e. Minimal Review. An Accessory Building that is not taller than 7 feet nor greater than 150 square feet shall be subject to a minimum review by the Building Committee. The committee shall approve the use of any reasonable materials used to construct the Accessory Building within this review.

f. Standard Review. An Accessory Building that is up to 9 feet tall but not greater than 150 square feet shall be subject to a special review. The committee may approve the use of any reasonable materials used to construct the Accessory Building but shall give special consideration to the public view or view of nearby neighbors and may require special attention to the materials or style that is visible to the public.

g. Special Review - Larger Accessory Buildings – Variance Required. Any building larger than 9 feet high or greater than 150 square feet shall be by special review. The Building Committee may, under unique circumstances, may approve a building larger than 9 feet high and/or 150 square feet only after careful review and the issuance of a temporary or permanent Variance.

8. Building Committee Review.

a. Building Committee. Building Committee Approval is required prior to commencing a Project. Prior to commencing a Project, a project or construction application must be completed and submitted to the Building Committee with all required attachments, as stated in the application, and which may be further requested by the Building Committee after the initial application. Forms are available by contacting the HOA or referring to the HOA website.

b. Review; Authority and Discretion. The Building Committee will evaluate all Projects with consideration of this Declaration and the aesthetics, including the Community Wide Standard and any Building Guidelines adopted by the Board. Submissions may be denied for purely aesthetic reasons at the Building Committee's sole discretion. Neither the Owner, the Association, the Board, the Building Committee, nor members of any of the foregoing may be held liable for any injury, damage, or loss arising out of the timing, cost changes, availability, delays, manner, or quality of approved Projects. The Building Committee is not responsible for determining whether a Project will meet the City's Codes or other regulations, and any required permits remain the responsibility of the applicant. The Board may act in lieu of the Building Committee at any time of the Board's choosing, or they may serve as a source for appeal. If the Building Committee issues a decision, the Board may serve as a source for appeal. Decisions made by the Building Committee shall be automatically reported to the Board. The decision becomes final when 1) approved by the Board, or 2) no appeal has been received, and the Board has not decided to take the matter up for consideration within thirty (30) days. If the Board has put in place a Building Committee, no more than 1 Board Member may serve on the Committee.

c. Review Period. The Building Committee must approve or disapprove each Application within 30 calendar days of submission of all materials required, as stated on the Application, as well as any further requested items following the initial application. The Building Committee's decision will be rendered in one of the following forms: (1) "Approved," which means the entire Application was approved; (2) "Approved as noted," which means that the Application was not approved as submitted but is approved as noted by the Building Committee with their requirements for curing objectionable features; (3) "Disapproved" which means the entire Application was not approved. When an application is "Approved as noted," the Owner must cure the objectionable features noted by the Building Committee. When an application is "Disapproved," the Building Committee is required to report at least the primary reason(s) why. If the Building Committee fails to respond within the 30-day period, its approval of the Application will be deemed granted only after the homeowner gives notice to the Board and the Board does not act within another 15 days, and only when such project does not require a Variance.

d. Approvals. All approvals of the Board and Building Committee must be consistent with these Covenants.

e. Variances. Approvals that are not consistent with these Covenants, where the granting of a waiver of any of the restrictions set out in this Declaration, can only be done by Variance, approved by the Board. The decision to issue a Variance must be limited to unique and extraordinary circumstances where substantial evidence would justify the desired Variance. And where appropriate, the Board should approve a temporary Variance over that of a permanent Variance. A Permanent Variance will continue in perpetuity and survive transfers of the Lot and Dwelling to successive Owners. A Temporary Variance will contain term limits or other limits imposed. Any Variance may be issued along with a one-time or recurring fee or other continued requirements. Failure to comply will result in the Board terminating the Variance.

f. Appeals. Owners may appeal a decision of the Building Committee by resubmitting the materials required by the Application to the Board. If the Board rendered the initial decision, the appeal may still go to the Board as a request for reconsideration.

g. Violations, Noncompliance, and Fines. Any construction that is initiated or completed without the required approval in this section shall be held to the same standard as if no construction has yet occurred. The standard for approval, the granting of a Variance, or similar shall not be more or less lenient because a covenant or Rule has been disregarded. The Board has the authority to issue fines for any noncompliance pursuant to Section 11.

9. Use of Lots and Dwellings, including Renting and Other Uses

9.1 Background. Mustang Creek was built as a single-family community with longer-term, owner-occupied homes. To maintain property values, maintain a strong vested interest in the community, and promote overall stability with a focus on the long term, Mustang Creek has considered many alternatives and has adopted these policies to serve the greater good of the Association. This section aims to promote the overall value, safety, and enjoyment of a neighborhood consistent with its heritage by restricting certain business activities, uses, or visible differences that would disrupt the neighborhood. The intent of this section is also designed to provide owners who may not occupy the dwelling with the option to rent while maintaining the communitywide standards and to reduce the potential need for the board to limit the total number of rentals within the neighborhood.

9.2 Lots Limited to Single Family Residences. Each lot is only allowed to be constructed and managed as a single-family residence. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other Accessory Buildings may be used on any Lot at any time as a second residence, whether temporary or permanent.

9.3 Business Activities. No business, trade, or commercial activity may be carried out on any Lot or Dwelling unless transacted completely within the Dwelling itself and without disturbance to neighbors. Any such business, trade or commercial activity within the Dwelling is permitted only so long as: (1) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Lot; (2) the business activity conforms to all zoning requirements for the Development; (3) the business activity does not involve door-to-door solicitation of residents of the Development; (4) the business activity does not, in the Board's reasonable judgment, generate a level of vehicular or pedestrian traffic or a number of vehicles being parked in the Development which is noticeably greater than that which is typical of Lots in which no business activity is being conducted; and (5) the business activity is consistent with the residential character of the Development and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Development, as may be determined in the Board's sole discretion.

9.4 Noxious or Offensive activity; Nuisances. Noxious or offensive activities or any action that is or could become a nuisance or annoyance to other Owners are prohibited.

9.5 Parking of Storage Pods, Recreational Vehicles. No rental storage pods, mobile homes, trailers, campers, boats, motor homes, trucks, or like equipment may be parked, stored, kept, repaired, or serviced on any Lot or driveway between the building line and the front property line and or on corner lots, the side building line, and the street side property line for each Lot. The intent of this covenant is to restrict the parking or storage of any or all vehicles or equipment other than conventional passenger vehicles in operating condition with valid

registrations in the afore-described areas of each Lot. Each Owner has an automatic 72-hour exception to this provision each month. Any additional time requires the approval of the Building Committee. Forms are available by contacting the HOA or referring to the HOA website.

9.6 Re-located Structures. No structure or existing structure of any type may be moved onto any lot in this addition from another location without Building Committee approval.

9.7 Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot except that dogs, cats, or other household pets may be kept, provided that they are not kept, bred, or maintained for any commercial purpose.

9.8 Rental Restrictions where an Owner is not residing in the Dwelling. For purposes of this section, anytime an Owner is not residing in the Dwelling, a rental is in existence and subject to the provisions of this Section. All rentals of Dwellings, Lots, or portions of Lots or Dwellings in the Development are restricted except where an Owner is approved through this issuance of a permit by the Board to rent or operate consistent with this section. This is not an outright prohibition, but a restriction when rental activities are taking place. The restrictions are in place to further assure the value, safety, and enjoyment of the neighborhood.

a. Background. Mustang Creek was built as a single-family dwelling community composed of longer-term, owner-occupied, homes. To maintain property values and a strong vested interest in the community and to promote overall stability with a focus on longer-term and lower rental-related turnover, Mustang Creek has considered several alternatives and has adopted these policies to serve the greater good of the Association while reducing the need to limit rental activity. The intent of this section is to provide Owners who may not occupy the Dwelling with the option to rent while 1) maintaining the Community Wide Standards and 2) keeping the neighborhood from becoming a high rental-related turnover community. These restrictions are in place to help reduce the need for the Board to limit the total number of rental properties permitted.

b. Issuance of Permits. The issuance of any permit is to be done by the Board or by a separate committee composed of representatives selected by the Board to act on their behalf. When a separate committee is in place, the Board shall have the power to hear and act on any appeal. The Board may issue permits for 1-year to 10-year intervals, each on a case-by-case basis, and each permit is subject to revocation as outlined in this section.

c. Long-Term Rentals - Minimum Rental Periods. Unless specifically approved and stated otherwise within the permit issued by the Board, the permit issued under this section is for long-term rentals, which are rentals with a minimum contracted rental period of six months. This standard permit does not allow any rental activity with a tenant for less than six (6) months.

d. Short-Term Rentals. To further protect the association from high rental-related turnover, short-term rentals are subject to very specific Board approval and may, at the Board's discretion, be further restricted. Monthly or "executive" short-term rentals (MSTR) are rentals for a minimum term of one month. Daily or "vacation" short-term rentals (DSTR) are rentals that could be offered for any period of less than one month. The Board may adopt

rigorous standards and ongoing requirements for, or restrict, either or both types of short-term rentals.

e. Specific Authority for Higher Standards and Fees. Through its Board, the Association may (and generally will) impose more restrictive rules and fines upon rental properties than those imposed on non-rentals. This includes but is not limited to 1) additional or higher restrictive requirements related to the Community Wide Standard, as well as 2) additional and higher fines and fees imposed for violations. While the Association is permitted to charge and collect from tenants' fees and fines, it is ultimately the responsibility of the Owner to pay all monies assessed by the Association, including those caused by tenants or other occupants.

f. Option - Automatic Approval. Every Owner may apply for and obtain automatic approval for a 3-year permit to rent their property by completing the following: 1) The Owner must have resided in their property for at least the immediate prior 2 years before the effective date of the issuance of the permit, and 2) The Owner must apply to the Board by completing the current application provided by the Board, along with their contact information and any other reasonably requested information. Forms are available by contacting the HOA or referring to the HOA website. These steps must be completed before any agreement is entered into with the tenant. Entering into any agreement before the permit is issued is a violation. The automatic approval under this provision is limited to long-term rental activity where all rental agreements are for a term of no less than six (6) months. At the expiration of the 3-year approval or before, the Owner may reapply for approval to continue renting under the standard process. This provision for automatic approval is renewed and made available only upon the Owner reoccupying the property for a new 2-year period. This automatic approval is optional and does not preclude the Owner from obtaining a permit under normal means, particularly when the desired permit duration is more than three years.

g. Obtaining a Permit to Rent. Any Owner may apply for a permit to rent their property or dwelling (or any portion thereof) by successfully completing an application provided by the Board and obtaining a permit issued by the Board. Forms are available by contacting the HOA or referring to the HOA website. The Board has the final determination in the issuance or revocation of any permit. The Board may approve permits for any duration of time up to 10 years. All permits are subject to revocation, and all are renewable upon approval of the Board.

h. Basic Requirements. All applications will require the contact information of both the Owner as well as all tenants, including names, addresses, phone numbers, and email addresses along with any other information reasonably requested by the Board. Following approval by the Board, the Owner shall then, on an ongoing basis, provide their tenants' names, contact information, and the lease start and end dates. The contact information must be provided before occupancy starts and updated before any new occupancy or rental term starts. Failure to provide this before occupancy is a violation subject to a fine. Additionally, the lease must include a mandatory clause requiring all occupants to comply with this Declaration and the Association Bylaws and Rules.

i. Tenants. The Association is free to contact the tenants at any time and may (generally will) offer community access and benefits (other than voting rights) to tenants. The association may deny community benefits to a tenant based on violations or standards adopted by the Board.

j. Managed Rentals and Multiple Rental Units under the Same or Similar Ownership. In addition to having different rules for the types of rental properties (short-term vs. long-term), the Board may limit the total number of rental properties that can be managed by the same company or the total number of rental properties owned by the same or similar ownership. Similar ownership may apply anytime the same entity or person has even a partial interest in more than one property. Like with short-term and long-term rentals, multiple units that are managed by or owned by common entities or persons may also be subject to more strict rules, fees, and fines.

k. Caps. While this section aims to reduce the need for rental caps, the Board is free to adopt additional policies and practices to further restrict the total number of rental units once the neighborhood approaches or exceeds 15%, or a number of the Associations homes as determined solely by the Board. These additional steps may include the issuance of fewer permits, shorter permit terms, and or waiting periods on new or renewal permit applications.

l. Notice of Violations Triggering a Possible Revocation of a Permit, Fines, or Other. In enforcing this section, the rules, and any fines, the Board may send a Written Notice of Violation. Such notices shall clearly state if it is a “Written Notice of Violation.” In any 12-month period, a fourth Notice of Violation shall constitute a possible Revocation of Approval (Revocation of any Permit) and a loss of right to rent, as determined by the Board. For this provision, an Owner may receive a maximum of one Written Notice of Violation in any 7-day period. The Board's right to revoke begins at the time of the fourth notice and continues for 12 months from the date of that fourth notice.

At the time of the fourth notice or at any time within the 12-month period starting with the date of the fourth notice, the Board may revoke approval (Revocation of any Permit). The following apply:

- 1) An Owner may request a hearing before the Board, which, if requested, shall be granted by the Board and may be conducted in person, by phone, or by other means as set by the Board.
- 2) The Board may (but is not obligated to) waive or delay a revocation or reinstate approval upon successful negotiation of vacating the current tenant or taking other corrective action suitable to the Board.
- 3) The Board shall have the sole discretion to establish the consequences, which may be a temporary or permanent restriction (including the revocation of approval/permit) of future rental activity. If approval is revoked, the Owner may not rent past the expiration date of the current lease to the current tenants at the time the Board revoked approval.
- 4) Alternatively, or in addition, the Board may offer a monetary fine and/or performance conditions which must be completed as part of a continuation of approval.
- 5) Once an Owner has had any permit revoked, further reinstatements or approvals to rent may include a fee or fine, as determined by the Board.
- 6) Automatic Second Chance. Even with any decision of the Board, an owner may get a second chance by removing the current tenant and replacing the

tenant with a new qualified tenant, correcting all violations contained in any prior notices, and remitting a fee of \$1,000. This option cannot be exercised more than once in any 10-year period, unless the Board approves otherwise.

m. Non-Rentals and Duty to Notify the Board. For purposes of this section, roommates who live with an Owner are not considered rentals. However, any issue such as a contract for deed, private financing, inheritance, or other situation that might remotely be considered a rental shall still include a notice to the Board, to avoid future fines or other as a result of not complying with the requirement to give notice.

9.9 Violations, Noncompliance, and the Authority for Fines. An Owner who is found to be violating this section, including violations through the acts of the occupants of their Dwelling, whether by simply failing to give notice or by any other infraction, shall be responsible for a fine of up to \$500 per month or a partial month from the date the infraction started until such activity is no longer being conducted. Fines falling under this paragraph shall NOT have the effect of limiting any of the other provisions within this declaration, including those outlined in paragraph 9.8 (l).

10. Maintenance of Lots and Community Wide Standard.

10.1 Background. One of the purposes of the Association is to maintain and further the overall value of the properties. The Community Wide Standard includes the standard of conduct, maintenance, and other activities that prevail throughout the Properties. This section addresses the overall maintenance and appearance, which can have an impact on the overall value but may also impact on the overall enjoyment and safety.

10.2 General Maintenance. At all times and at its sole cost and expense, each Owner must keep its Lot, including all improvements thereon, in a well-maintained, safe, clean, and attractive condition. Those areas not improved by Structures or similar and related improvements must be covered with grass or other landscaping. Such maintenance includes the following: promptly removing all litter, trash, refuse, and waste; keeping all landscaping alive, weed-free, and attractive; keeping exterior lighting and mechanical facilities in working order; keeping parking areas and driveways in good repair; complying with all applicable Laws; repairing all exterior damage to improvements; and properly and regularly cutting and maintaining of all grass and landscaped areas.

10.3 Community Wide Standard. The Board may establish any policies, guidelines, or rules as part of the Community Wide Standard, and as such, each Owner is responsible for the upkeep, maintenance, repair, replacement, or other steps necessary to comply with such requirements.

10.4 Failure to Maintain. If any Owner fails to maintain its Lot in accordance with this Declaration and in such manner as deemed reasonably necessary by the Board or Association to preserve and protect the value and attractive appearance of the Development, then the Association may give such Owner Notice stating the work or repair that the Association finds necessary, and requesting that such work be carried out or undertaken and diligently pursued within a reasonable time. Unless it is deemed of an emergency nature, this notice shall be ten

calendar days, or longer as the Association may deem, based on the overall scope, and required work. If the Owner fails to act within 30 days, or longer if a longer period is provided in the Notice, then the Association will have the right and power to enter onto the Lot and perform such care and maintenance without any liability for damages for wrongful entry, trespass, or otherwise. The Owner will then be liable for the cost of such work, plus an administrative charge equal to the greater of 10% of the cost or \$500 per occurrence (unless the Board specifically approves a lower amount), which must be promptly reimbursed by such Owner to the Association, as the case may be.

10.5 Violations, Noncompliance, and Fines. Any construction that is initiated or completed without the required approval in this declaration shall be held to the same standard as if no construction has yet occurred. The Board has the authority to issue fines for any noncompliance pursuant to Section 11.

11. Assessments, Includes Dues, Fees, and Fines.

11.1 Background and Purpose. Monies collected by the HOA cover the costs of the acquisitions, improvements, maintenance, and repair of the common areas and amenities, along with the general operation of the association. This includes items generally used to promote the owners' and residents' health, safety, welfare, common benefit, and enjoyment, as well as to maintain or further the overall value of the neighborhood, including property values and assets owned or maintained by the Association. Most or all the Associations work is performed by a limited number of volunteers, and even in cases where an outside management company or other paid staff are used, delinquent accounts take away valuable time and other resources from the Association. Therefore, late fees, fines, and interest are all hereby expressly authorized consistent with this section.

11.2 Authority. The authority to determine the Dues, Fees, and Fines is placed with the Board. Certain items may require a Membership Vote as outlined in the Bylaws.

11.2 Dues. Dues are Assessments charged to all Owners in the form of a monthly or annual Assessment. Any Assessments, including the Annual Dues, will be presented to the Membership at the Annual Meeting, and approved consistent with the Bylaws. Assessments are generally used to promote the health, safety, welfare, common benefit, and enjoyment of the Owners and residents, as well as to maintain or further the overall value of the neighborhood, including property values and assets owned and/or maintained by the Association. The Board shall strive to keep the Association financially healthy and responsible, including the Assessment and collection of monies to maintain sufficient reserves to allow enforcement of these covenants, protect the assets of the Association, assure compliance, and further the mission of the Association. The Association shall not run on a minimum budget standard based on limited collection solely for maintenance.

11.3 Fees. Fees are Assessments approved by the Board, which consist of amounts that are not deemed fines and which are not applied to all Owners. Fees may be for but are not limited to, services or options that are made available to Owners wishing to participate in a particular offering or monies assessed to one or more members for repairs, damages, and the like

caused by that member for which funds are used to rebuild, repair, remove, or take other corrective action to the action or inaction of any Owner or their guest or other occupants. Fees are also a tool that may be used in conjunction with approved Variances and, in some cases, Application Fees or resulting Approvals for various applications, including but not limited to those regarding rental activities.

11.4 Fines. Fines are Assessments that serve as a tool to assure compliance. Ideally, all Owners, including their guests or other occupants, would choose to comply with the rules of the Association voluntarily. Fines are an enforcement tool to help discourage Owners from noncompliance, whether by action or inaction, particularly when no other less burdensome act on the part of the Association will provide sufficient incentive to get the desired outcome. This is not punitive but simply the most efficient means available when taking into the financial and human costs for those managing the Association. As a result, Fines may be progressive for repeat offenses and may not always have any correlation to the actual damage done by the infraction, for which is often difficult to agree on any particular monetary amount. The Board may approve fines for failure to comply with any these Covenants, any Rule, or for a failure to adhere to the Community Wide Standard. Fines may be approved as one-time or as ongoing based on the infraction or violation. A schedule of fines will be published and approved in a manner consistent with the Bylaws, which may include specific fines or maximum amounts that may be imposed at the discretion of the Board. No fine shall serve to reduce or limit other authority within this declaration.

11.5 Late Fees. The Board is authorized to impose Late Fees and Interest. Late Fees may be assessed on any account that is past due in the amount of up to \$25 per month for the first past due month, and \$15 per month thereafter, thus making it possible for late fees to accumulate up to \$190 per year.

11.6 Appeals. Any Owner may appeal the Assessment of any Fine or Fines imposed in any given month. The deadline for filing an Application for Fine Appeal is the last day of the month following the month in which the Fine was imposed and made known to the Owner. Forms are available by contacting the HOA or referring to the HOA website. Following the deadline for the time to appeal, or at the time the Board renders a decision, the Fine is considered final and due.

11.7 Adjustments to Amounts Contained in these Covenants. Any Assessment or monetary amounts contained within these Covenants are subject to annual adjustment by the Board based on any reasonable annual estimate for inflation, interest, or cost of living as determined solely by the Board. Such an adjustment may be made at any time by the Board and need not be made annually or on any other schedule. As an example, the Board may choose to adjust a fine that was set at \$500 but may delay adjusting this fine for ten years, and at that time, the fine is subject to adjustment for the entire ten-year timespan, and then imposed based on the new amount on a going-forward basis. This shall serve as a cap and not a mandate to make a full adjustment based on the maximum guideline of this provision.

11.8 Creation of Lien and Personal Obligation of Assessments. Each Owner, by acceptance of a deed for any Lot, whether the deed so expressly states, covenants, and agrees to

pay the Association all Assessments, including but not limited to Dues, Fees, Fines, along with any Late Fees and Interest. Such Assessments will be fixed, established, and collected from time to time, provided that such Assessments, with interest thereon and costs of collection, will be a charge on the land and will be a continuing lien on the Property against which each such Assessment is made, superior to any homestead or other exemption provided by law. Each such Assessment, together with such interest, costs, and reasonable attorney fees, will also be the personal obligation of the Owners who were the Owners of such property at the time when the Assessment was made. Such personal obligation will not pass to successors in title unless expressly assumed by his successors. The sale or transfer of any Lot shall not affect the Assessment Lien.

11.9 Effect of Non-payment of Assessments and the Association's Remedies. Any Assessments that are not paid when due will be delinquent. If the Assessment is not paid within 30 days after its due date, the Assessment will bear interest at a rate determined by the Board not to exceed the maximum rate allowable by law. At any time, the Association may bring an action at law against the Owner personally obligated to pay such Assessments. Further, the Association may enforce such liens and foreclose on property in any manner provided by the laws of the State of Oklahoma for the foreclosure of mortgages or deeds of trust, with or without power of sale. Interest, costs, and reasonable attorneys' fees of such action shall be added to the amount of such Assessment. Owners may not claim as a defense to any such action by the Association that such Owner did not use the Common Areas or that such Owner abandoned its Lot(s) or any other defense. The duty to pay Assessments, Dues, Fees, and Fines is firm and may only be reduced or removed from an Owner's account by the Board.

11.10 Lien Rights. All sums assessed against any Lot pursuant to this Declaration, together with court costs, reasonable attorneys' fees, late charges, and interest, will be secured by an equitable charge and continuing lien on such Lot in the Association's favor.

12. Default.

12.1 All Legal and Equitable Remedies Available. In the event of a breach or threatened breach by any Owner of any of the terms, covenants, restrictions or conditions of this Declaration, the Association will be entitled to full and adequate relief by injunction and all other available legal and equitable remedies from the consequences of such breach, including payment of any amounts due and including the right of specific performance. The Association will have the right, but not the obligation, to enforce this Declaration on behalf of the non-defaulting Owners, which enforcement or cure will be accepted by the other Owners.

12.2 Self-Help. In addition to all other remedies available at law or in equity, upon the failure of a defaulting Owner to commence actions to cure the breach of this Declaration within 30 calendar days following Notice of such breach by the Association (unless, with respect to any such breach, the nature of which is such that it cannot reasonably be cured within 30 days, the defaulting Owner commences to cure within such 30-day period and thereafter, diligently prosecutes such cure to completion), the Association will have the right to enter upon the Lot of the defaulting Owner (but not into any Structure) to perform such obligation on behalf of the

defaulting Owner, and to thereafter be reimbursed by such defaulting Owner upon demand for the reasonable costs of such performance, plus interest. *** Reread vs 10.4

12.3 Breach will not permit termination. A breach of this Declaration by the Association or any Owner will not entitle any Owner to cancel, rescind or otherwise terminate it, but such limitation will not affect any other right or remedy a person or entity may have by reason of such breach.

13. Notices. All Official Notices to the Association (Mustang Creek Homeowners Association, Inc.), must be sent to the registered agent of the Corporation on file with the Oklahoma Secretary of State.

Additionally, notices may be sent to the individual Board members' email addresses, which may be updated in the current Bylaws or posted in other locations. Notice by email shall not be deemed received by the individuals or the Association until a proper specific personal acknowledgment is sent back to the originator of the message, which will not be unreasonably withheld or delayed.

14. Association's Judgment Conclusive. In all cases, the Association will have the right to determine which are the streets, rear, and side property lines, and the set-back from said lines necessary to conform to the requirements of this Declaration, its judgment, and determination to be final and binding on all parties. All Association consents required by this Declaration will be exercised by the Board or by a committee appointed by the Board. Such consents will not be unreasonably withheld, conditioned, or delayed unless expressly stated otherwise.

15. Amendment and Termination. This Declaration may be amended or supplemented by the Association and the Owners of a majority of the Lots. Termination of this declaration shall require a 2/3 vote of all Lots. Any amendment, supplement, or termination of this Declaration will be valid and enforceable upon its recordation in the public records with the Canadian County Clerk of Canadian County Oklahoma.

16. Compliance with this Declaration and Applicable Laws. If and to the extent the covenants and Rules are more or less stringent than those imposed by applicable Laws, the more stringent shall apply.

17. Miscellaneous Provisions.

17.1 Choice of Law, Jurisdiction, and Venue. The Laws of the State of Oklahoma exclusively apply to this Declaration. Any claim or lawsuit arising directly or indirectly from or relating to this Declaration must be filed and maintained in a court of competent jurisdiction in the state or federal courts located in Canadian County, Oklahoma. The Association and the Owners submit to that jurisdiction and venue for all purposes.

17.2 Waiver. No course of dealing between the parties, delay in the exercise of any rights under this Declaration, or failure to object to any action or omission constitutes a waiver of any terms of this Declaration. A waiver of any term of this Declaration will not constitute a

continuing waiver of that term. The defense of waiver against the Association in any action proceeding shall not apply. It is expressly understood that the financial condition of the association, as well as the leadership and volunteer skills, can impact the Association's ability to demand performance or enforce dues and rules. Such extenuating circumstances do not permit Owners to use waiver as a defense of any prior, existing, or future violation of any Rule, the collection of Assessments or any other obligations.

17.3 Duty of Good Faith Including Not Circumventing the Spirit of this

Agreement. Owners agree to act in good faith and fair dealing with the Association and respect it as a largely volunteer driven organization aimed at preserving the value, safety and enjoyment of the neighborhood for all Owners and their guests. The cost and burden to the Association of any member attempting to circumvent this declaration by intentionally violating rules, creative legal theories that go well beyond the spirit and intent of these covenants, or other means to circumvent the intents of these rules shall not be taken lightly. The Board is hereby empowered to restate and clarify any aspect of these rules in ways to prevent misunderstanding, litigation and costs to the Association when any ambiguity exists or a need for more explanation becomes apparent.

17.4 Severability. If any provision of this Declaration is determined to be to any extent invalid, illegal, or unenforceable, it will be deemed stricken from the Agreement. All other provisions of this Declaration will remain in full force and effect. The stricken provision will then be deemed replaced with one that is valid and enforceable as determined by the Board, and that comes closest to expressing the parties' original intent while still being within the law.

17.5 Parties Bound. This Declaration is binding on and inures to the benefit of the Association and the Owners, and their respective successors and permitted assigns.

17.6 Attorneys' Fees. In any suit, action, or other proceeding, including arbitration or bankruptcy, arising out of or in any manner relating to this Declaration, the prevailing party, as determined by the court or arbitrator, will be entitled to recover from the losing party reasonable attorneys' fees, court costs, and expenses incurred. Any Court hereby conveyed that the intent of these covenants is to entirely make whole the financial and resource losses incurred by the Association, including the fair value of any volunteer time. This is a membership-based organization, and the costs to the overall organization extend well beyond that of legal counsel and direct losses.