

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS**

ST. JAMES PLACE

THIS DECLARATION, made on the date hereinafter set forth by Quail Ridge, Inc., hereinafter referred to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the Owner of certain property in the City of Lawton, County of Comanche, State of Oklahoma, which is zoned R-1 with a Planned Unit Development ("PUD") overlay which is more particularly described as:

SEE EXHIBIT "A"

NOW, THEREFORE, Declarant hereby declares that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions, which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall insure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

Whenever used in this Declaration the following terms shall have the following meanings:

- Section 1. Articles: "Articles" shall mean the duly adopted Certificate of Incorporation of the Association, as the same may be amended from time to time, a copy of which is attached hereto as Exhibit "B".
- Section 2. Assessments. "Assessments" shall mean that portion of the cost of maintaining, improving, repairing, insuring, operating and managing the Property which is to be paid by each separate Owner, as determined by these Covenants and the Association.
- Section 3. Association: "Association" shall mean and refer to the St. James Place Homeowners Association, Inc., an Oklahoma nonprofit corporation, its successors and assigns.
- Section 4. Bylaws: "Bylaws" shall mean the duly adopted bylaws of the Association, a copy of which is attached hereto as Exhibit "C" and made a part hereof, as the same may be amended, changed and modified from time to time.

Section 5. Board of Directors: "Board of Directors" or "Board" shall mean the Board of Directors of the Association.

Section 6. Building: "Building" shall mean one or more of the buildings or structures to be built on or located on the Property.

Section 7. Common Elements: "Common Elements" means the following elements of the Property:

- a. The private streets, sidewalks, right of ways, drainage facilities within the platted area and private easements relating to the Common Elements. The private streets shall be subject to perpetual access by emergency medical vehicles, police, fire and other official vehicles of all state, federal, county, or municipal agencies performing their official duties
- b. The yards, gardens, walls, access to parking areas, security gate, storage areas, signage, club house, guard house and facilities not located on a residential lot.
- c. Those installations of central services including power, common lighting, gas, irrigation and water, and all utilities servicing Common Elements.
- d. All equipment, entry gates, apparatus and installations existing for common use.
- e. All other parts of the Property necessary or convenient to its existence, maintenance, or safety, and normally in common use.

Section 8. Common Expenses: "Common Expenses" means the following:

- a. Expenses of administration, maintenance, repair or replacement of Common Elements, including the security gate, common area buildings, common area improvements, streets, sidewalks in common areas, dams, gates and fences that belong to the association to the extent such expenses are to be borne by the Association.
- b. Amounts deposited in the Reserve Fund for maintenance, repair, and replacement of the Common Elements, as required by Section of Article X of the Declaration.
- c. Expenses agreed upon as common by Lot Owners acting through the Association.
- d. Expenses of maintaining the detention pond, detention pond overflow and other expenses declared common by the provisions of this Declaration or by the Bylaws.

- Section 9. Common Profit: "Common profit" means the balance of all income, rents, profits and revenues from the Common Areas and Association dues remaining after the deduction of the common expenses.
- Section 10. Declarant: "Declarant" means Quail Ridge, Inc., an Oklahoma corporation, its successors and assigns.
- Section 11. Developer: "Developer" means Quail Ridge, Inc., an Oklahoma corporation, its successors and assigns.
- Section 12. Declaration: "Declaration" means this instrument, together with such amendments to this instrument as may hereafter from time to time be lawfully made.
- Section 13. Person: "Person" means an individual, corporation, partnership, association, trust or other legal entity, or any combination thereof.
- Section 14. Property: "Property" means and includes that certain real property hereinbefore described and such improvements and structures thereon, and all easements, rights, and appurtenances belonging thereto, together with all personal property intended for use in connection therewith which has been or intended to be submitted to the provisions of this Declaration.
- Section 15. Lot: "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property with the exception of the Common Elements.
- Section 16. Lot Designation: "Lot Designation" means the number designating each particular Lot.
- Section 17. Lot Owner: "Lot Owner" or "Owner" means a Person owning a Lot.
- Section 18. Residential Use. "Residential Use" shall mean the occupation or use of a residence in conformity with these Covenants and the requirements imposed by applicable zoning laws or other state, county or municipal rules and regulations. Provided, the restriction of "Residential Use" shall not prohibit an Owner from maintaining a home office within a residence so long as such office is not open to the public or business invitees.
- Section 19. Single Family. "Single Family" shall mean one or more persons each related to the other by blood, marriage, legal adoption or legal guardianship, or a group of not more than three persons not all so related, who maintain a common household in a residence. Single family shall also include domestic servants who maintain a common household in a residence.

ARTICLE II

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

ARTICLE III

FUTURE INTENT

Future Additions. Although the exhibit appended to these Covenants may include only a portion of the property, it is the intention of the Declarant that additional adjacent tracts when platted for residential development, be subject to these Covenants such that the owners of additional lots will be Class A members of the Association.

ARTICLE IV

SERVICE AGENT

The name of the person to receive service of process in actions against the Association shall be set forth in the Certificate of Incorporation, as amended from time to time.

ARTICLE V

AMENDMENT OF DECLARATION

Except as hereinafter provided, the Declaration may be amended by two-thirds (2/3) of the Lot Owners voting in person or by written proxy at a meeting of the members of the Association duly called and held for that purpose, and any such amendment shall become effective upon the filing, with the office of the Registrar of Deeds of Comanche County, Oklahoma, of an instrument in writing setting forth such amendment and duly executed and acknowledged by the president of the Association, as the act and deed of the Association, and attested by the secretary or assistant secretary thereof. Provided, however, the Declaration may not be amended in a manner which would allow the use of proceeds of hazard insurance policies for any purpose other than the repair, replacement, or construction of the Common Elements, without the prior written consent of seventy-

five (75%) of all Lot Owners and mortgagees of Lot Owners other than Declarant; provided, further, that the Property may not be removed from the provisions of this Declaration except with the unanimous consent of all Lot Owners nor may the percentage interest in the Common Elements of any Owner be reduced without such Owner's consent. Provided, further, that no amendment to this Declaration shall make any change in the requirements for insurance made herein, nor in any way affect the security interest or the lien of the mortgage of any mortgage holder unless the Owners of all recorded mortgages upon any Lot or the Property shall have consented thereto in writing.

ARTICLE VI

LAND CLASSIFICATION, PERMITTED USES, AND RESTRICTIONS

Section 1. Land Classification: All Lots within the existing property are hereby classified as single-family Lots, i.e., each such Lot shall be used exclusively for single-family residential purposes and for the exclusive use and benefit of the Owner thereof; provided, however, that with the written approval of the Architectural Committee, one (1) or more Lots or one (1) Lot and a part of a second Lot may be combined subject to the requirements of the Lawton City Code. No gainful occupation, profession, business, trade or other non-residential activity shall be conducted on any Lot or in any residence or detached structure located thereon not to include home office, without approval of the Association. Nothing herein shall be deemed to prevent the leasing of any entire Lot from time to time by the Owner thereof to a tenant for single family residential use subject to all the terms and provisions hereof, and to the rules.

Section 2. Building Restrictions:

- a. Minimum Residence Size: No residence which contains less than 2,800 square feet, or in the case of a residence located within the area designated as the patio home area less than 2200 square feet exclusive of basements, open porches, attached carports, attached garages, and detached structures shall be built on any Lot. In the following phases, square footage requirements may change, but will not fall below the minimum described above.
- b. Maximum Residence Height: No residence which contains more than two (2) stories shall be built on any Lot, in addition, the ground floor of the main structure of any two-story residence shall contain not less than 2,200 square feet or in the case of a residence located within the area designated as the patio home area not less than 1600 square feet.
- c. Materials: Unless otherwise approved, in writing and prior to construction, by the Architectural Committee, the principal exterior of the first floor of any residence, excluding the roof, shall be at least seventy percent (70%) brick, stone EFIS or stucco, as approved by the Architectural Committee. This restriction is intended to restrict the principal exterior of the first floor of residences to masonry in their construction, but modified to allow use of other materials to blend with the masonry

to eliminate repetition of design. All fireplace chimneys or chases for wood burning fireplaces shall be of masonry veneer construction. The St. James Place homes shall use similar style brick and various combinations of brick colors and textures that can be chosen from a broad palette of colors and textures available from the developer.

- d. Foundations: Foundations shall be designed so as to prohibit exposure of formed concrete above natural grade.
- e. Garages: Garages must be at least two (2) cars wide and may be attached to, detached from or built within a residence. Garage doors shall not face the front street, provided, however, garage doors in the area designated as the patio home line area may face the front street, but owners of lots in the patio home area are encouraged to face garage openings away from the front street.
- f. Building Limit Lines: Other than residences constructed in the patio home area, no building structure or part thereof shall be erected nearer than fifteen (15) feet to a side Lot line (“Side Building Limit Line”). Provided, however, cornices, spoutings, chimneys and ornamental projections may extend no more than two (2) feet nearer the Side Building Limit Line. No building shall be built any nearer the front Lot line than twenty five (25) feet (“Front Building Limit Line”). Provided, however, covered or uncovered, but not enclosed, porches, porte cocheres and patios may extend no more than six (6) feet nearer the Front Building Limit Line.

For residences constructed in the area designated for patio houses, the following building limits shall apply:

Front--all buildings and structures shall be at least twenty-five (25) from the front property line;

Side—all buildings and structures shall be at least five feet (5') from the side property line, unless otherwise expressly permitted by the architectural committee;

Rear—all buildings and structures shall be at least fifteen feet (15') from the property line.

- g. Signs, Billboards, and Detached Structures: No signs or billboards will be permitted upon any Lot except signs advertising the sale or rental of a Lot or Lots which do not exceed five (5) square feet in area; provided, however, that this restriction shall not apply to the Declarant.

All Detached Structures shall be approved by the Board of Directors of the Association or the Architectural Committee.

For the purpose of this restriction, small tool or storage sheds of less than 225 square foot floor area and 6 foot 6 inch eave height may be maintained within rear yard areas provided such rear yard is enclosed with an approved 6-foot high sight-proof fence.

- h. Grading and Excavation: In addition to the requirements contained in the Lawton City Code, no building or other structure shall be constructed or maintained upon any Lot which would in any way impede natural drainage. No grading, scraping, excavation or other rearranging or puncturing of the surface of any Lot shall be commenced which will or may tend to interfere with, encroach upon or alter, disturb or damage any surface or subsurface utility line, pipe, wire or easement, or which will or may tend to disturb the minimum or maximum subsurface depth requirement of any utility line, pipe, wire or easement. Any such interference, encroachment, alternation, disturbance or damage due to the negligence of an Owner or his agents, contractors, or representatives will be the responsibility of such Owner, and the owner of the line, pipe, wire or easement may effect all necessary repairs and charge the cost of the same to such Lot Owner.
- i. Moving Existing Buildings Onto a Lot Prohibited: No existing, erected house or Detached Structure may be moved onto any Lot from another location.
- j. Construction Period: Upon commencement of excavation for the construction of a residence, the work must thereafter be continuous, unless a delay is approved by the Architectural Committee in writing. If a delay of more than ninety (90) days occurs without the Architectural Committee's Consent, which will not be unreasonably withheld, the Association may, but shall not be obligated to, complete such construction, at the Owner's sole cost and expense. No construction shall occur on any Sunday or on New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving or Christmas Day.
- k. Utilities: The Owner of each Lot shall provide the required facilities to receive electric service, natural gas service, and telephone service leading from the sources of supply to any improvements erected on such Lot by means of underground service conductors installed, owned and maintained by the Owner in accordance with plans and specifications furnished by the suppliers of such services. No Owner shall demand or require the furnishing of such services through or from overhead wiring facilities so long as underground distribution systems are available.
- l. Roofs: The major component of the roof must be at least 6/12 slope. Roof color and roof material must be approved by the architectural committee.

Section 3. General Restrictions

- a. Animals: No animals shall be kept except household pets. Such pets may not be kept or bred for any commercial purpose. Pets shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No savage or dangerous animal or breed of animal, such as Pit Bull Terriers, wolf breeds, etc., shall be kept. No more than two household pets may be kept without written permission of the Association. No pets may be permitted to run loose within St. James Place. Each owner is responsible for curbing their own pets and the immediate removal of their pets' excrement from any common area or any front or side yard of a lot, including such owners' lot.
- b. Storage of Building Materials: No building material of any kind or character shall be placed or stored upon the property line of the Lot upon which the improvements are to be erected and shall not be placed in the Streets or between the curb and the property line.
- c. Vacant Lots: No trash, ashes or other refuse may be thrown or dumped on any vacant Lot. Each Owner of a vacant Lot is required to keep such Lot in presentable condition or the Association may, at its discretion, mow such Lot, trim trees, remove trash or refuse and, if necessary, and regardless of whether annual maintenance assessments have by then commenced, levy an assessment upon such Lot for the cost involved, which shall constitute a lien upon such Lot to the same extent as if provided elsewhere herein with respect to other assessments.
- d. Nuisances: No noxious, illegal or offensive activity shall be carried on upon any Lot, or any part of the Property nor shall anything be done thereon which may be or may become a nuisance or annoyance to or which may interfere with the quiet enjoyment by an Owner of his respective residential lot.
- e. Storage Tanks: No tank for the storage of oil, water, or other fluids, or any other substance regardless of nature, may be maintained above the ground and outside an authorized structure on any of the Lots without the consent in writing of the Architectural Committee.
- f. Boats, Trailers and Vehicles; Temporary Residences: Boats, trailers, motor homes, or other recreational vehicles may be kept on the premises provided they are concealed within the residence garage or located behind the Front or Side Lot Lines and concealed behind an approved sight-proof fence. All permanent automobiles and pickup trucks shall be parked in the garage. Commercial vehicles are prohibited, provided however, pickup trucks and sedans which are used both for business and personal use are permitted,

provided that any signs or marking of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Directors. No overnight parking of any vehicle on the street is permitted. Under no conditions may a trailer of any type be occupied, temporarily or permanently, as a residence except during the construction period and then only by a workman or watchman. No garage or outbuilding on any Lot shall be used as a residence or living quarters. No trail bike, go-carts, dune buggy, stock cars or other noisy, off-road/or unlicensed motor bikes or vehicles, shall be maintained or operated in St. James Place.

- g. Maintenance of Lawns and Plantings on the Common Area: The Association shall keep all shrubs, trees, grass and plantings of every kind on the common area neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material. The cost of such water and maintenance shall be a Common Expense. All lawns and plantings contained on a lot shall be the responsibility of the Lot Owner. No tree, shrub or planting of any kind shall be allowed to overhang or otherwise encroach upon any street from ground level to a height of fourteen (14) feet, and eight (8) feet on side walks, without the prior approval of the Architectural Committee. Association must grant city access to the creek to allow periodic cleaning of creek bed, but must abide by restrictions outlined in Article VIII, Section 2, b.
- h. Repair of Buildings and Improvements: No building or improvement upon any Lot shall be permitted to fall into disrepair, but shall at all times be kept in good condition and repair and adequately painted or otherwise finished.
- i. Garbage, Trash Containers, and Collections: All refuse, including lawn and garden clippings and trash, shall be kept in containers. In no event shall such containers be maintained so as to be visible from streets, or neighboring property except to make them available for collection, and then only for the shortest time reasonably necessary to effect such collection.
- j. Clothes Drying Facilities: No outside clothes drying or airing facility shall be visible from streets or neighboring property.
- k. Tree Houses, Platforms, and Radio and Television Antennae and Satellite Dishes: No tree houses, platforms in trees, play towers, or other similar structures or equipment, or radio or television antennae shall be visible from the street. No satellite dishes larger than eighteen inches (18") shall be permitted without the written consent of the Association.
- l. Fences: Fences may be erected along rear property lines, side Lot lines on interior Lots and on or behind Front Building Limit Line or Side Building Limit Line abutting the side street or a corner Lot as shown on the recorded plat. In

addition to the requirements contained in the Lawton City Code, fences shall be constructed of wrought iron, wood plank, stockade, or similar wood materials and shall have finished picket or decorative side facing front and/or side streets. Masonry, stone, or brick fences may be approved subject to Architectural Committee approval. Fences backing up to common areas must use the same approved design.

- m. Diseases and Insects: No owner shall permit anything or condition to exist upon any lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

Section 4. Variances: As to any Lot, the limitations and restrictions of Sections 1 through 3 of this Article may be waived or modified by the Architectural Committee, to the extent permitted by law and the Lawton City Code, upon written application made in advance by the Owner seeking a variance, as to which the judgment of the Architectural Committee shall be conclusive; provided, however, that if the Architectural Committee fails to approve or disapprove such application within thirty (30) days after its receipt, the application shall be deemed approved.

ARTICLE VII

MEMBERSHIP IN ASSOCIATION

Section 1. Qualification: Each Lot Owner shall be a member of the Association and shall be entitled to representation in the Association ("Member"). Ownership of a Lot shall be the sole qualification for membership in the Association. The lot owner must be current on Association dues to vote.

Section 2. Transfer of Membership: The Association membership of each Lot Owner shall be an appurtenant right to the Lot giving rise to such membership and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said Lot and then only to the transferee of title of said Lot. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Lot shall operate automatically to transfer the membership in the Association appurtenant thereto to the new owner.

Section 3. Class of Members. The Association shall consist of Class A Members and Class B Members.

- a. Class A Members. Class A Members shall be all those owners of a Lot with the exception of Declarant or an affiliate of Declarant. Each Class A Member shall be entitled to one vote for each Lot in which he or she holds the interest required for membership as set forth herein. If a given Lot is owned by more

than one owner, all such owners shall be members of the Association but for the purposes of assessment such members shall be deemed to be one Class A Member. The vote for such Lot shall be exercised as the owners among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. Class A Members shall also include Owners of residential Lots in housing additions which may be developed, platted and subjected by Declarant to the provisions of these Covenants by future amendment(s) of these Covenants or otherwise. Provided, however, Builders, as defined in the Bylaws, shall not be subject to either annual or special assessments unless and until the Builder or his tenant resides on the Lot.

- b. Class B Members. The Class B member(s) shall be Declarant, its business successors or assigns. The Class B members(s) shall be entitled to six (6) six votes for each Lot owned by the Class B member. The Class B member(s) shall pay no regular assessment or special assessments. The Class B membership shall cease to exist when Declarant (i) owns no interest in any Lot in St. James Place, as same is shown on the Plat appended as Exhibit "A", and (ii) owns no interest in any Residential Lot in any additions which may be subject to this Declaration in the future.

Section 4. Required Percentage of Vote: Whenever the Declaration, the Bylaws, or the Articles require the vote, assent or presence of a stated percentage of Lot Owners with regard to the taking of any action or any other matter whatsoever, the requisite number of votes to constitute such stated percentage shall be the votes of Lot Owners who are present at the meeting and whose dues are not delinquent.

ARTICLE VIII

DUTIES AND POWERS OF ASSOCIATION

Section 1. Administration of Property: The Lot owners and each of them, together with all parties bound by this Declaration, covenant and agree that the administration of the Property shall be in accordance with the provisions of this Declaration, the Articles, Bylaws, and such rules and regulations as may be adopted by the Board, and the amendments, changes and modifications thereto as may come into effect from time to time. In the event of any inconsistency between the provisions of this Declaration and the provisions of the Articles, the Bylaws, or rules and regulations, the provisions of this Declaration shall prevail.

Section 2. Duties and Authority of Association: The Association shall have the following powers and duties:

- a. The Association shall acquire and pay out of the assessments levied and collected in accordance herewith, all charges for water to all General Common elements and, gardening and yard maintenance services, refuse collection, electrical, telephone, other necessary utility services, security service, security gate and area maintenance, fences, any other additions built and or approved and accepted by the Association, signage and all other expenses incurred in connection with safety and welfare of the General Common Elements.
- b. Except as provided in Article XII, Section 3, hereof, the Association shall maintain or cause the Common Elements and the landscaping, improvements, facilities, and structures thereof to be maintained and kept in a good state of repair, and acquire for the Association and pay from assessments for such services, furnishings, equipment, maintenance, painting, and repair as it may determine are necessary in order to keep and at all times maintain the Common Elements and the landscaping, improvements, and facilities, including the security gate, thereon in a good and sanitary state of condition and repair. The Association and its assigns shall preserve the natural beauty of Wolf Creek by not removing mature living trees or alter the natural flow of the creek, so as to ensure the enjoyment of this natural area by all member of the Association.
- c. Except as to the taxes, levies or assessments levied separately against an individual Lot, and/or the Owner thereof, the Association shall pay all taxes, real and personal, and assessments, bonds and levies which are or would become a lien on the entire Property or the Common Elements.
- d. The Association may, at its option, employ a manager, independent contractors, and such other employees as it deems necessary and prescribe their duties, and enter into contracts and agreements, all for the purpose of providing for the performance of the business, security, duties and/or obligations of the Association, or any portion thereof. Such manager, if any and all employees shall have the right of ingress and egress over and access to, such portions of the Property as may be necessary in order for them to perform their obligation.
- e. The Board, at any time, and from time to time, may establish, in accordance with the Bylaws, such uniform rules and regulations as the Board may deem reasonable in connection with the use, maintenance, repair and replacement of the Common Elements by Lot Owners and their family members, servants, tenants, guests and invitees, and the conduct of such persons with respect to vehicles, parking, bicycle use, use of recreational facilities, control of pets, and other activities which, if not so regulated might detract from the appearance of the Property or be offensive to or cause inconvenience, noise

or damage to persons residing in or visiting the Property. The Association shall send a copy of such rules and regulations, together with amendments and additions thereto, to each Lot Owner upon receiving written notice of his status as an Owner. The rules of operation of the security gate, and any amendments thereto, shall insure that the private streets shall always be accessible to emergency vehicles and other official vehicles of the state, county or municipal agencies and private utilities providing maintenance to its facilities or performing other official duties.

- f. The Association shall levy assessments against the Lot Owners and enforce payment thereof, all in the manner and subject to limitations, set forth in the Declaration and the Bylaws.
- g. The Association shall maintain or cause to be maintained books and records relating to the management and operation of the Property. Such books and records shall be subject to inspection and copying, during normal business hours, by any Lot Owner and by the holder of a mortgage on any Lot.
- h. Upon request received from the holder of any mortgage on a Lot, the Association shall notify the holder of such mortgage of any default thereafter occurring in the performance by the Owner of the Lot burdened by such mortgage of any obligation hereunder or under the Articles, Bylaws or rules and regulations of the Association, which default is not cured within sixty (60) days of the date of default. Such notice shall be in writing and shall be addressed to the mortgagee at the address specified in the request submitted by the mortgagee.
- i. The Association shall have the power to perform such other acts, whether expressly authorized by the Declaration or the Bylaws, as may be reasonably necessary to enforce any of the provisions of the Declaration, the Bylaws, or the rules and regulations duly adopted by the Association or to carry out and perform its powers and responsibilities.

ARTICLE IX

ASSESSMENTS

Section 1. Creation of Lien and Personal Obligations of Assessments: Each Class A Member Lot Owner, by acceptance of a deed to a Lot, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (i) regular assessments or charges, and (ii) emergency assessments, such assessments to be fixed, established and collected from time to time as hereinafter provided. The regular and emergency assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge and a lien on the Lot against which each such assessment is made, and all

appurtenances thereto, which lien is created and shall be enforced in accordance with the provisions of this Article. Each such assessment (and all other assessments levied in accordance with this Declaration), together with late charges, interest, costs, penalties, and reasonable attorney's fees, as provided for by this Declaration, shall also be the joint and several personal obligation of each person who was an Owner of such Lot at the time when such assessment fell due.

Section 2. Regular Assessments:

- a. Regular Assessment: As soon as is reasonably practicable after the election of the first Board, the Board shall set the quarterly assessments to be assessed for the initial fiscal year, or remaining part thereof, against each Class A Member Lot Owner for the purposes hereinafter specified. Quarterly assessments shall be for the period running from the 1st day of January, April, July and October to and including the last day of March, June, September and December. Assessments for each quarter shall be due and payable by the Class A Lot Owners on the 1st day of such quarter or on the date agreed on by the Association. The total of such assessments for all Class A Lot Owners for each fiscal year shall total (i) the estimated expenses of the Association in carrying out the obligations described herein for such fiscal year; other than for the maintenance, repair, or replacement of the Common Elements (the "Maintenance Fund Requirement"), plus (ii) an amount, to be determined by the Board, to be set aside during the fiscal year to provide for a reserve fund for the maintenance, repair, or replacement of the Common Elements (the "Reserve Fund Requirement").
- b. Allocation of Assessment: The total assessment shall be allocated equally to each Class A Lot Owner.
- c. Fiscal Year: The fiscal year shall be the calendar year.
- d. Increase in Assessments: For each fiscal year following the initial fiscal year of the Association, the regular quarterly assessment may be increased prior to, but effective as of, the beginning of such fiscal year, by the Board without a vote of the members of the Association, provided that any such increase shall not be more than twenty percent (20%) of the regular quarterly assessment in effect during the previous year. The term "regular quarterly assessment", as used herein, shall mean that quarterly assessment set at the beginning of the fiscal year by the Board.
- e. Increase in Quarterly Assessment by Association: From and after the end of the initial fiscal year of the Association, the regular quarterly assessment may be increased by the Board in an amount greater than provided for in subsection (d) of this section for the succeeding fiscal year, such increase to be made

prior to but effective as of the beginning of such fiscal year, provided that any such change shall first be approved by the vote of at least a majority of the members acting at a meeting duly called for such purpose. Notice of increase pursuant to this section shall be given by the Board to each Owner prior to the commencement of the fiscal year for which such increase is to be effective.

- f. Certificate of Payment: The Association shall, upon demand, furnish to any Lot Owner, mortgagee of a Lot Owner, or prospective purchaser of any Lot a certificate in writing signed by an officer of the Association, setting forth whether the assessments on the specified Lot have been paid, and the amount of the delinquency, if any. A reasonable charge may be made by the Board for the issuance of such certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.
- g. First Mortgagee: The lien for assessments provided herein shall be subordinate to the lien of any First Mortgage on a Lot.

Section 3. Special Emergency Assessments: In the event that the Board shall determine that its budget for any current month is or will become inadequate to meet all expenses for any reason, including nonpayment of any Owner's assessment on a current basis, it shall immediately determine the appropriate amount of such inadequacy for such month and may levy an emergency assessment for the amount required to meet all such expenses on a current basis against the Class A Member Lot Owners; provided, however, that any such emergency assessment in an amount exceeding \$250.00 per Lot must first be approved by fifty per cent of the Lot Owners, present either in person or by proxy and entitled to vote at a meeting called for such purpose at which a quorum is present, written notice of which meeting shall be sent to all members not less than 10 days nor more than 30 days in advance of the meeting. Emergency assessments levied in accordance with this section shall be due and payable within 15 days of written notice thereof by the Board.

Section 4. Payment of Assessments: Each payment of regular quarterly and emergency assessments made by a Class A Member Lot Owner shall first be applied to that portion of such Lot's assessments allocable to the Maintenance Fund Requirement, and the remainder of such payment shall be applied to that portion of such Lot's assessments allocable to the Reserve Fund Requirement.

Section 5. Maintenance Fund: All collected assessment charges allocable to the Maintenance Fund requirement shall be properly deposited in a separate commercial bank account in a bank or trust company to be selected by the Board. The Board shall have control of said account and shall be responsible to the Lot Owners for the maintenance of accurate records thereof at all times.

Section 6. Reserve Fund: All collected assessment charges allocable to the Reserve Fund Requirement shall be properly deposited in a separate commercial banking account in a bank or trust company to be selected by the Board. The Board shall have control over such account and shall be responsible to the Lot Owners for the maintenance of accurate records thereof at all times. The funds in such account may be expended only for expenses incurred by the Association for the repair or replacement of the Common Elements or construction of new approved common elements.

Section 7. Non-Payment of Assessments; Lien Rights, Remedies: Every Lot Owner is deemed to covenant and agree to pay the assessments provided for in this Declaration and further agrees to the enforcement of such assessments in the manner provided for in this Declaration.

a. Delinquency: Any assessment provided for in this Declaration which is not paid when due shall become delinquent on the date on which such assessment is due (the "date of delinquency"). Assessments not paid within 5 days after the date of delinquency shall thereafter bear interest at the rate of 12% per annum from the date of delinquency and the Board, its attorney or other authorized representative may, at its option, at any time after such period, and in addition to the other remedies herein or by law or in equity provided, enforce the obligation to pay assessments in any manner provided by law or in equity and, without limiting the generality of the foregoing, by any or all of the following procedures:

i. Enforcement by Suit: The Board may cause a suit to be commenced and maintained in the name of the Association against any Owner or Owners, or any of them, personally obligated to pay assessments for such delinquent assessments for which they are personally obligated. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon at the rate prescribed for judgments from and after the date of delinquency, late charges as provided for by this Declaration, court costs and reasonable attorney's fees in such amounts as the court may award. Suit to recover a money judgment for unpaid assessments shall be maintainable by the Board, or its authorized agent, without foreclosing or waiving the lien thereafter provided for.

ii. Enforcement of Lien: Any assessment which remains unpaid on the date on which such assessment is due shall be a lien on the Lot for which such assessment is due and on all appurtenances thereto. Such lien may be foreclosed by a suit instituted by the Association, its attorney or duly authorized agent. The Association, or its duly authorized agent, shall have the power to bid in at the foreclosure sale and to acquire, hold, lease, mortgage and convey the Lot Ownership Estate

acquired at such sale. Provided, however, in any such foreclosure sale the Association may not bid an amount in excess of any judgment rendered in its favor in such foreclosure action and payable out of the proceeds of such sale.

- b. Additional Costs Secured by Lien: In the event the lien described above is foreclosed, reasonable attorneys' fees as the court may award and court costs, abstracting fees, late charges as provided for by this Declaration, and all other costs and expenses shall be allowed to the Association.
- c. Rights of Association: Each Owner hereby vests in and delegates to the Association or its duly authorized representative the right and power to bring all actions at law or lien foreclosures, against any Owner or Owners for the collection of delinquent assessments in accordance herewith.
- d. Purchaser at Foreclosure Sale: Any purchaser of a Lot at a foreclosure sale pursuant to an action to foreclose the lien herein provided shall take title to such Lot subject to all the terms, provisions and restrictions of this Declaration. There shall be a lien on the Lot of the purchaser which may be foreclosed in accordance with this Declaration and which shall secure all assessments which become due after the date of such sale. For the purposes of this section a sale of a Lot shall occur on the date any judicial sale is confirmed.
- e. Purchase by Mortgagee: In the event the holder of a first mortgage on a Lot obtains title to such Lot as a result of a foreclosure of the mortgage, such mortgagee shall not be liable for the foreclosed Lot's unpaid assessments which accrue after the recording of such mortgage and prior to the acquisition of title to such Lot by the mortgagee.
- f. Purpose of Assessments: The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the members of the Association, their guests and invitees, and in particular shall be used for the purpose of improving, protecting, operating, repairing, and maintaining the Common Elements and the facilities, improvements, security gate, landscaping and structures located thereon and providing for the acquisition and maintenance of property, services and facilities devoted to this purpose and directly related the use and enjoyment of the common Elements and otherwise providing for the performance by the Association of each and every power and duty of the Association.

ARTICLE X

RIGHTS AND OBLIGATIONS OF LOT OWNERS AS TO THE COMMON AREAS

Section 1. Owner's Easement of Enjoyment: Every Lot Owner and his tenants, servants, family members, guests and invitees, to the extent permitted by such Lot Owner shall have a non-exclusive easement of access to, use and enjoyment of, and ingress and egress through, the General Common Elements, and such easements shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- a. Such easements shall be subject to the right conferred by this Declaration to the Board to establish uniform rules and regulations concerning the use of the Common Elements and the operation of the security gate.
- b. Such easements shall be subject to the right of Declarant, its agent and representatives, to the non-exclusive use of the Common Elements or services provided in common, and the facilities thereof, for display and exhibit purposes in connection with the sale of the Lots, which right Declarant hereby reserves. Provided, however, that no such use by Declarant or its agents or representatives shall otherwise restrict the Lot Owners in their use and enjoyment of the Common Elements.

Section 2. Waiver of Use: A Lot Owner may not waive or otherwise escape liability for the assessments provided for by this Declaration or otherwise duly and properly levied by the Board, by non-use of the Common Elements or services provided in common and the facilities thereon or any part thereof, or by abandonment of his Lot.

Section 3. Damage to Common Elements: Any damage to any Common Element which is caused by the negligent act or the willful misconduct of any Lot Owner may be repaired by the Association but, in such event, the Association shall be entitled to reimbursement for all reasonable costs of such repair and/or replacement from the Lot Owner responsible for the damage.

ARTICLE XI

CONDEMNATION

In case at any time or times the Common Element or any part thereof shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages for or on account of any land and improvements of the Common Element shall be payable to the Association as Trustee for all Unit Owners and mortgages according to the loss or damage to their respective interest in the Common Elements and shall be used promptly by the Association to the

extent necessary for restoring or replacing such improvements on the remaining land according to plans therefore first approved as herein provided; provided, however, that in case restoration of such improvement to substantially its same size and function as immediately prior to such damage shall be prevented by any laws or ordinances then in effect whether to rebuild, repair or restore said improvement and the extent and manner thereof shall be determined by vote of 75 percent of the interests in the Common Elements, subject to written approval as to any modified plans by all owners of the Common Elements and mortgages thereby directly affected.

ARTICLE XII

GENERAL PROVISIONS

- Section 1. Access to Lots: The Association shall have the irrevocable right of access to each Lot from time to time during reasonable hours as may be necessary for the maintenance, repair, or replacement of the Common Elements and facilities therein or accessible there from, for making emergency repairs therein necessary to prevent damage to the Common Elements and facilities. Such right shall be exercised by the Board or its duly authorized agent.
- Section 2. Enforcement: The Association, or any group of five or more Lot Owners, if the Association refuses to do so, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Board or any group of Lot Owners to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. A waiver of any such right shall be only pursuant to an instrument in writing signed by the party to be charged with such waiver and shall be limited to the particular covenant, condition or restriction which is expressly set forth in such writing as being waived.
- Section 3. Encroachments: In the event any portion of the Common Elements encroaches upon any Lot or any Lot encroaches upon the Common Elements as a result of the construction, reconstruction, repair, shifting, settlement, or movement of any portion of the improvement, an easement for the encroachment and for the maintenance for the same shall exist so long as the encroachment exists.
- Section 4. Certain Consents Required: No amendment to this Declaration concerning the matters hereinafter set forth shall be effective with respect to any holder of a first mortgage covering any Lot except upon the written consent of such holder:
- Section 5. Severability: The provisions hereof shall be deemed independent and severable and the invalidity or partial invalidity or unenforceability of any one or more of the provisions hereof shall not affect the validity of the remaining provisions.

Section 6. Successors and Assigns: This Declaration shall inure to the benefit of and be binding upon the successors and assigns of Declarant, and to the heirs, personal representatives, grantees, lessees, successors and assigns of the Lot Owners.

Section 7. Remedies Cumulative: Each remedy provided by this Declaration for breach of any of the covenants, conditions, restrictions, reservations, liens, or charges contained herein shall be in addition to any other available remedy, whether provided for by law or in equity, and all of such remedies, whether provided for by this Declaration or otherwise, shall be cumulative and not exclusive.

Section 8. Notices: Any written notice or other document relating to or required by this Declaration may be delivered personally or by mail. If by mail, such notice, unless expressly provided herein or in the Bylaws to the contrary, shall be deemed to have been delivered and received 3 business days after a copy thereof is deposited in the United States Mail, postage prepaid, addressed as follows:

- a. If to a Lot Owner other than Declarant, to the address of the Lot or Lots owned by him.
- b. If to Declarant, whether in its capacity as owner of a Lot, or in any other capacity, addressed as follows:

Quail Ridge, Inc.
c/o James Eason
P.O. Box 1586
Lawton, OK 73502

- c. Prior to the organizational meeting of the Board, notices to the Board shall be addressed to the address set forth for giving notice to the Declarant. Thereafter, notices to the Board shall be addressed to the secretary of the Association. The Board shall cause the address of the secretary of the Association to be known by mail to all Unit Owners.

Section 9. Sales of Lots: Concurrently with the consummation of the sale of any Lot under circumstances whereby the transferee becomes a Lot Owner, the transferee shall notify the Board in writing of such sale. Such notification shall set forth (i) the name of the transferee and his transferor, (ii) the street address or the Lot number of the Lot purchased by the transferee, (iii) the transferee's mailing address, and (iv) the date of sale. Prior to receipt of such notification, any and all communications required or permitted to be given by Declarant, the Association, the Board, or their agents or representatives, shall be deemed to be duly made and given to the transferee if duly and timely made and given to said transferee's transferor.

Section 10. Square Footage of Lots: It is expressly stipulated and each and every purchaser of a Lot, his heirs, executors, assigns, successors and grantees hereby agree, that the square footage, size and dimensions of each Lot as set out and shown in this Declaration or in the said survey plats attached as exhibits hereto, are approximate and are shown for descriptive purposes only, and that the Developer does not warrant, represent or guarantee that any Lot actually contains the area, square footage or dimensions shown by the plat thereof. Each purchaser and owner of a Lot or interest therein, has had full opportunity and is under a duty to inspect and examine the Lot purchased by him prior to the purchase thereof, and agrees that the Lot is purchased as actually and physically existing. Each purchaser of a Lot hereby expressly waives any claim or demand which he may have against the Declarant or Developer on account of any difference, shortage or discrepancy between the Lot as actually and physically existing and as is shown on the respective plat thereof, which is attached hereto. It is specifically agreed that in interpreting deeds, mortgages, and other instruments for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the Lots or of any Lot reconstructed in substantial accordance with the original plans thereof shall be conclusively presumed to be the boundaries, regardless of settling, rising, or lateral movement of the building and regardless of variances between the boundaries shown on the plat and those of the building.

DATED this _____ day of _____, 2008.

DECLARANT:

QUAIL RIDGE, INC.

By: _____
James S. Eason, President

Attest:

Secretary

