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Declaration of Covenants and Restrictions For

STONE WOOD HILLS

This Declaration is made this 23 day of July, 2002, by ROLAND INVESTMENTS, LTD., an Oklahoma corporation, hereinafter referred to as "Declarant."

WITNESSETH:

WHEREAS, Declarant is the owner of:

All of the Lots and Reserve Areas "A", "B", "C", "D", "E", "F", "G", "H", "J", "K", and "L", STONE WOOD HILLS, an Addition to the City of Broken Arrow, Tulsa County, State of Oklahoma, according to the Recorded Plat thereof.

WHEREAS, it would be desirable to form an association of the owners of the lots within said STONE WOOD HILLS for the purposes of enhancing the value, desirability, and attractiveness of the subdivision and providing for the maintenance of the Reserve Areas and a Declaration should be recorded setting forth the particulars of the Association, including membership, maintenance of Reserve Areas, and assessment of Lots;

THEREFORE, Declarant hereby declares that the Lots in STONE WOOD HILLS shall be held, sold, and conveyed subject to the following covenants and restrictions, which are for the purpose of protecting the value and desirability of the single family lots within STONE WOOD HILLS, and which shall be covenants running with the land, shall be binding on all persons having any right, title, or interest in the properties comprising STONE WOOD HILLS, their heirs, successors, and assigns and shall inure to the benefit of each owner of a lot in STONE WOOD HILLS.

ARTICLE ONE
DEFINITIONS

1.1 "Association" means the STONE WOOD HILLS Homeowners' Association, Inc., its successors and assigns.



1.2 "Owner" means the record owner, whether one or more persons or entities, of a fee simple title to any Lot as hereinafter defined, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

1.3 "Lot" means each of the lots shown upon the recorded subdivision plat of STONE WOOD HILLS and any single family lot shown upon a recorded plat of any property hereafter annexed within the jurisdiction of the Association.

1.4 "Common Area" means all real property (including the improvements thereon) owned or maintained by the Association for the common use and enjoyment of the Owners, and shall include but shall not be limited to the following:

Reserve Areas "A", "B", "C", "D", "E", "F", "G", "H", "J", "K", and "L" and the landscaping and fencing easements (and improvements thereon) heretofore established by the Deed of Dedication of STONE WOOD HILLS, an Addition to the City of Broken Arrow, Tulsa County, State of Oklahoma.

1.5 "Declarant" means Roland Investments, Ltd., an Oklahoma corporation, its successors and assigns. In the event that more than one person or entity is Declarant, the powers of the Declarant shall be exercised as such persons or entities shall among themselves determine.

ARTICLE TWO PROPERTY RIGHTS

2.1 Owners' Easements of Enjoyment. Each Owner shall have a right and easement of use and enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to each Lot, subject to:

(A) The right of the Association to charge reasonable fees for the use or enjoyment of any facility situated upon the Common Area;

(B) The right of the Association to adopt reasonable rules and regulations for the use of the Common Area;

(C) The right of the Association to suspend the Owner's right to use the facilities for any period during which any assessment against the Owner's Lot remains unpaid;

(D) The right of the Association to suspend the Owner's right to use the facilities for the Owner's infraction of the Association's published rules and regulations;

(E) The right of the Association to dedicate, sell, or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be determined by the Association, provided however, the dedication, sale, or transfer of Common Area shall require the assent of fifty-one percent (51%) of each class of Members.

2.2 Delegation of Use and Enjoyment. The Owner of a Lot may delegate, the Owner's right of use and enjoyment of the Common Area to the members of the family, tenants, or contract purchasers who reside on the Lot.

ARTICLE THREE MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be mandatory and appurtenant to and may not be separated from ownership of any Lot which is subject to assessment. The Owner of a Lot by acceptance of the deed thereto acknowledges that the management, maintenance, and ownership of the Common Area is the right and obligation of the Association and the Declarant's right and obligations pertaining thereto are the same as any Lot Owner unless hereinafter specifically modified.

3.2 Voting Rights. The Association shall have two classes of voting membership as follows:

(A) The Class A Members shall be all Owners with the exception of the Declarant, and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in a Lot, all such persons shall be members, and the vote for the Lot shall be exercised as they among themselves determine, but only one vote shall be cast for the Lot.

(B) The Class B Member shall be the Declarant, and shall be entitled to three votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the 1st day of January, 2005, or upon the date of that Declarant no longer owns any Lots within the subdivision, whichever occurs first.

3.3 Voting Suspension. The Association shall have the right to adopt, within the By-laws, provisions for suspension of an Owner's voting rights for any period during which an assessment against the Owner's Lot remains unpaid.

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ARTICLE FOUR ASSESSMENTS

4.1 Assessment Covenant and Lien. The Declarant, for each Lot owned hereby covenants, and each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in the deed, is deemed to covenant and agree to pay to the Association:

- (A) Annual maintenance assessments;
- (B) Special assessments for capital improvements;

the above assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which the assessment is made. Each assessment, together with interest, costs, and reasonable attorneys fees, shall also be the personal obligation of the person who was the Owner of the Lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to successors in title unless expressly assumed by them.

4.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents of STONE WOOD HILLS and for the improvement and maintenance of the Common Area and the facilities situated thereon.

4.3 Maximum Annual Assessment. The maximum annual assessment shall be Two hundred dollars (\$200.00) per Lot, provided however, the Board of Directors may increase each year, subsequent to the initial assessment year, the maximum assessment by the percentage increase, if any, of the Consumer Price Index occurring over the twelve (12) months ending sixty (60) days prior to the current assessment period, or five percent (5%), whichever is greater. "Consumer Price Index" means the index published by the U.S. Department of Labor for the area including Tulsa, Oklahoma. Increases in the maximum annual assessment greater than those above provided for shall require the assent of fifty-one percent (51%) of the eligible votes of each class of Members who are voting in person or by proxy at a meeting duly called for this purpose. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

4.4 **Special Assessments for Capital Improvements.** In addition to the annual maintenance assessments set forth within Section 4.3 above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, PROVIDED HOWEVER, that any such assessment shall require the assent of fifty-one percent (51%) of the eligible votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

4.5 **Notice and Quorum.** Written notice of any meeting for the purpose of taking any action authorized under Sections 4.3 or 4.4 shall be sent to all Members not less than 20 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half ($\frac{1}{2}$) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event the required assent is not achieved at the meeting, Members not present may within 30 days thereafter give assent by delivery of written assent to the Secretary of the Association, and such assents shall be deemed votes cast at the meeting.

4.6 **Uniform Rate of Assessment.** Both annual and special assessments shall be fixed at a uniform rate for each Lot.

4.7 **Commencement of Annual Assessments.** The annual assessment for each Lot shall commence on the 1st day of October, 2002, and shall be adjusted based on the number of months remaining in the calendar year. Subsequent annual assessments shall be based on the calendar year commencing on January 1, 2003. Notwithstanding the foregoing provisions, the Declarant may defer the initial commencement of assessments by the recording of an instrument establishing a deferred commencement date and setting forth the Declarant's assumption of the obligation and cost of maintenance of the Common Area until the deferred date of commencement of assessments.

4.8 **Establishment of the Amount of Assessment.** The Board of Directors of the Association shall fix the amount of the first annual assessment at least 30 days prior to the commencement date, or at least 30 days prior to the expiration of the deferred commencement period, and shall fix the

amount of subsequent assessments against each Lot at least 30 days in advance of each annual assessment period. The due dates for payment of the annual assessments shall be established by the Board of Directors, and the Board of Directors may provide for the payment of the annual assessments on a quarterly basis, semi-annual basis, or annual basis. Written notice of the annual assessment and the due dates for payment shall be sent to each Owner. The omission or failure of the Board of Directors to timely fix the annual assessment or to give notice thereof shall not be deemed a waiver or release of any Owner from the obligation to pay the assessment when fixed, and notice thereof given.

4.9 Certificate of Assessment. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

4.10 Nonpayment Remedies. An assessment which is not paid when due shall be delinquent and shall constitute a lien on the Lot against which the assessment is made. If the assessment is not paid within 30 days after the due date, the assessment shall bear interest from the date of delinquency at a rate of interest per annum as set by the Board of Directors from time to time, but not to exceed the maximum rate of interest allowed by law, and the Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose its lien against the Lot, or both, and interest, costs, and reasonable attorneys fees of any such action shall be added to the amount of the assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, or abandonment of his Lot. Assessment liens shall continue for a period of five (5) years from the date of delinquency; provided that if, within such period, judicial proceedings shall have been instituted to enforce the lien in a court in Tulsa County, Oklahoma, having jurisdiction, then the lien shall continue until the termination of the judicial proceeding and the sale of such Lot pursuant to execution of judgment.

4.11 Subordination of the Lien. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien; provided, however, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which

became due prior to such sale or transfer. No sale or transfer shall relieve the Lot from the lien for assessments thereafter becoming due.

4.12 Exempt Property. Properties dedicated to and accepted by a local public authority or conveyed to a public utility, and the Common Area, shall be exempt from assessments.

ARTICLE FIVE ANNEXATIONS

5.1 Annexation. Properties platted for single family residential purposes may be annexed to the geographic jurisdiction of the Association in accordance with the following provisions.

5.2 Assent. Annexation shall require the assent of fifty-one percent (51%) of each class of members who are voting in person or by proxy at a meeting duly called of this purpose.

5.3 Notice and Quorum. Annexation shall be considered at a meeting duly called for such purpose, written notice of which shall be sent to all members not less than twenty (20) nor more than sixty (60) days in advance of the meeting. At the first meeting called, the presence of Members and/or holders of proxies entitled to vote sixty percent (60%) of the eligible votes of the Members shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting. In the event the required assent is not achieved at the meeting, Members not present may within thirty (30) days thereafter deliver written assent to the Secretary of the Association, and such assents shall be deemed votes cast at the meeting.

5.4 Acceptance. Annexation shall be evidenced by written notice executed by the Association and written acceptance of annexation executed by the Owners of the annexed property. The notice and acceptance of annexation shall be filed of record in the office of the County Clerk of Tulsa County, Oklahoma. The acceptance of annexation shall describe the property annexed and shall provide that the property is subject to the covenants, conditions, and restrictions set forth in this Declaration.

ARTICLE SIX COMMON AREA IMPROVEMENTS AND EASEMENT

6.1 Common Area Improvements. The Declarant pursuant to the development of STONE WOOD HILLS may make customary and reasonable improvements to the Common Area including

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but without limitation entry fencing and/or walls, landscaping, and screening, but Declarant specifically disclaims any obligation to make particular or specified improvements. Each Owner of a Lot by acceptance of a deed thereto, whether or not is shall be so expressed in the deed shall be deemed to accept such improvements to the Common Area as existing as of the date of acceptance of the deed.

6.2 Common Area Easement. The Declarant herein reserves during the period of development of STONE WOOD HILLS the exclusive right and easement to enter upon the Common Area and, at Declarant's cost, to construct, repair, and maintain improvements; provided, however, the right and easement above set forth shall terminate one year subsequent to the commencement of assessments.

6.3 Architectural Review Committee. In order to advance the harmonious development of the Subdivision and its Common Areas, Declarant shall retain the right to appoint the members of the Architectural Review Committee of the Association until such time as Declarant no longer owns any Lots within STONE WOOD HILLS.

ARTICLE SEVEN GENERAL PROVISIONS

7.1 Conflicting Provisions. To the extent that this Declaration is in conflict with any provision of the Deed of Dedication and Restrictive Covenants which accompanied the recorded plat of STONE WOOD HILLS, the provisions of this Declaration shall control.

7.2 Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all easements, restrictions, and covenants now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall not be deemed a waiver of the right to do so thereafter. In any judicial action to enforce the covenants or restrictions established by the Declaration or amendments thereto, or to recover damages for the breach thereof, the prevailing party shall be entitled to receive his or its reasonable attorney fees and costs and expenses incurred in such action.

7.3 Severability. Invalidation of any one or more of the provisions of this Declaration by judgment or court order shall not affect any other provisions which shall remain in full force and effect.

Covenants ruling

A. ARCHITECTURAL COMMITTEE – PLAN REVIEW

1. “...”NO BUILDING, FENCE, WALL, DRIVEWAY OR MAILBOX SHALL BE ERECTED, OR PLACED ON ANY LOT IN THE SUBDIVISION UNTIL THE PLANS AND SPECIFICATIONS THEREFORE HAVE BEEN APPROVED IN WRITING BY ANY ONE OF THE MEMBERS OF THE ARCHITECTURAL COMMITTEE. FOR EACH BUILDING, FENCE, WALL, DRIVEWAY OR MAILBOX, THE REQUIRED PLANS AND SPECIFICATIONS SHALL BE SUBMITTED IN DUPLICATE TO THE ARCHITECTURAL COMMITTEE. THE ARCHITECTURAL COMMITTEE MUST APPROVE OR DISAPPROVE ANY SUCH PLANS, SPECIFICATIONS, COLOR SCHEME, MATERIALS SUBMITTED TO IT AS HEREIN REQUIRED WITHIN THIRTY (30) DAYS OF SAID SUBMISSION. IF THE LOT OWNER WHO SUBMITS THE REQUEST DOES NOT RECEIVE A RESPONSE WITHIN SAID THIRTY (30) DAYS, SAID REQUEST SHALL BE PRESENTED TO AND DECIDED BY THE BOARD OF DIRECTORS OF STONEWOOD HILLS HOMEOWNERS ASSOCIATION.

NO CONSTRUCTION SHALL COMMENCE UNTIL APPROVAL IS GIVEN “...”.

3. THE ARCHITECTURAL COMMITTEE’S PURPOSE IS TO PROMOTE GOOD DESIGN AND COMPATIBILITY WITHIN THE SUBDIVISION, AND IN ITS REVIEW OF PLANS OR DETERMINATION OF ANY WAIVER AS HEREINAFTER AUTHORIZED, THE ARCHITECTURAL COMMITTEE MAY TAKE INTO CONSIDERATION THE NATURE AND CHARACTER OF THE PROPOSED BUILDING OR STRUCTURE, THE MATERIALS OF WHICH IS TO BE BUILT, THE AVAILABILITY OF ALTERNATIVE MATERIALS, THE SITE UPON WHICH IT IS PROPOSED TO BE ERECTED, AND THE HARMONY THEREOF WITH THE SURROUNDING AREA.

ARCHITECTURAL COMMITTEE – PLAN REVIEW

!!All plans for out buildings must be approved by the Architectural Committee !!

- Out Building may not exceed 9 feet in height.
- Out Building must be made of wood w/ shingles in a color scheme that match the home.
- Out Building may not exceed 10 feet by 14 feet.
- Out Building must be in closed within a fence and set 5 feet from the fence allowing for mowing and perpetual care.

!!ALL building setbacks and easements must be adhered to!!

Reviews should have 2 rough plot plans for the building being requested and a self addressed stamped envelope.