DECLARATION OF COVENANTS
OF
SEVEN OAKS SOUTH

THIS DECLARATION is made effective this 1st day of May, 2012, by **Seven Oaks South, L.L.C.**, an Oklahoma limited liability company, ("Developer")

W I T N E S S E T H:

WHEREAS, Developer, as the owner of that certain real property, improvements and appurtenances described as:

> All of SEVEN OAKS SOUTH, a subdivision in the City of Broken Arrow, Tulsa County, State of Oklahoma, according to the recorded Plat thereof,

caused the same to be platted as said SEVEN OAKS SOUTH (the "Addition"); and

WHEREAS, Developer has caused the SEVEN OAKS SOUTH HOMEOWNERS' ASSOCIATION, INC., an Oklahoma non-profit corporation, to be formed for the purposes of owning and maintaining the Reserve Areas in the Addition, of maintaining the common fences and landscaping and the swimming pool and associated facilities, of enforcing the protective covenants applicable to the Addition and for the general purpose of protecting the value and desirability of the Addition (the "Association"); and

WHEREAS, Developer has or will convey the Reserve Areas shown on the Plat of the Addition to the Association subject to the covenants hereinafter set forth and to herein make provision for the assessment of the individual lots within the Addition to provide the funds necessary for the operation of the Association and the fulfillment of the purposes set forth above.

THEREFORE, Developer hereby declares that all of the real property, improvements and appurtenances included within the Addition shall be held, sold and conveyed subject to the following covenants, restrictions and easements all of which shall be covenants running with the land and shall be binding upon all lots included within the Addition and all parties having any right, title or interest in the Addition, their heirs, personal representatives, transferees, successors and assigns and which shall inure to the benefit of the Association and each owner of a lot within the Addition.

ARTICLE I
Definitions

Section 1. "Reserve Areas" shall mean all property so named and depicted on the recorded Plat of the Addition including Reserves "A," "B," and "C," as well as all other property located in the Addition, including drainage facilities and detention, open space, fencing, utilities, landscaping, entry features, subdivision identification, signs, swimming pool and clubhouse, which are owned and/or maintained by the Association for the common use, benefit, and enjoyment of the Owners.

Section 2. "Lot" shall mean any of the lots numbered and depicted upon the recorded Plat of the Addition.

Section 3. "Owner" shall mean the record owner, whether one or more persons or an entity of any type, of any undivided interest in the fee simple title to a Lot, excluding those persons or entities having an interest merely as security for the performance of an obligation.

Section 4. *"Protective Covenants"* shall mean the protective covenants and restrictions imposed upon the Lots and the Reserve Areas in the Addition in the Deed of Dedication of the Addition which has been filed in the office of the County Clerk of Tulsa County, Oklahoma, as lawfully amended from time to time, which are enforceable by the Association.

Section 5. *"Annual Assessment"* shall mean the amount assessed as provided in Article IV, Section 3. below.

Section 6. *"Special Assessment"* shall mean the amount assessed against each Lot and Owner in the Addition as provided in Article IV, Section 5. below.

ARTICLE II
Property Rights

Section 1. *Owners' Easements of Enjoyment.* Every Owner shall have a right and easement of use and enjoyment in and to the Reserve Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to:

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

(b) the right of the Association to adopt reasonable rules and regulations for the use of the Reserve Area;

(c) the right of the Association to suspend the Owner's right to use of 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 of 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 Reserve Area to with it holds title 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 a Reserve Area shall require the approval of fifty-one percent (51%) of the eligible votes of the members.

Section 2. *Delegation of Use.* Any Owner may delegate his right of enjoyment to the Reserve Areas to the members of his family, his tenants or contract purchasers who reside on the Owner's Lot.

ARTICLE III
Membership and Voting Rights

Section 1. *Membership.* Every Owner of a Lot shall be a member of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2. *Voting Rights.* The Association shall have two classes of voting members.

> *Class A.* Class A members shall be all Owners with the exception of the Developer and Developer Entities. Class A members shall be entitled to one (1) vote for each Lot owned. When more than one person or entity holds and interest in any Lot, all such persons shall be members and the vote for such Lot shall be exercised as they may determine, but in no event shall more than one vote be cast with respect to any Lot.
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> *Class B.* The Class B members shall be the Developer, Terry Davis Homes, Inc., Shaw Homes, Inc., Waterstone Homes, L.L.C. and all other entities in which the principals of Developer own an interest (collectively, including the Developer, called the "Developer Entities") which shall be entitled to ten (10) votes for each Lot owned.

Section 3. *Voting Suspension.* The Association shall have the right to adopt, within the Bylaws, provisions for suspension of an Owner's voting rights for any period during which an assessment against the Owner's Lot remains unpaid.

ARTICLE IV
Assessments

Section 1. *Creation of Lien and Personal Obligation for Assessments.* Each Owner of any Lot (with the exception of the Developer Entities) by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) Annual Assessments and (2) Special Assessments, such assessments to be established, levied and collected as hereinafter provided. Annual Assessments and Special Assessments, together with interest, costs and reasonable attorney's fees, shall be a charge and continuing lien upon the Lot against which each such assessment is made from the due date of the assessment until paid in full. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the, joint and several, personal obligation and liability of each person and/or entity who was the owner of any interest in such Lot at the time such assessment became due. The personal obligation for unpaid assessments shall not pass to the successors in title of any such Owner unless expressly assumed by them.

Section 2. *Purpose of Assessments.* The assessments established and levied by the Association shall be used exclusively to promote the recreation, health, safety, welfare and enhancement of value of the Lots and for payment of the expenses of the Association.

Section 3. *Annual Assessment.* Each fiscal year from June 1 through May 31 (the "Association Fiscal Year"), the Board of Directors of the Association shall fix and levy an Annual Assessment for the purposes set forth above against all Lots, excepting those Lots owned by the Developer Entities (the "Developer Lots"), in an amount to be determined in compliance with the following provisions:

(a) For the Association Fiscal Year until May 31, 2013, the Annual Assessment shall be Five Hundred Dollars ($500.00) per Lot. For "Undeveloped Lots," which are defined as Lots (other than Lots owned by Developer Entities) on which a residence has not been constructed and sold by a builder, the maximum Annual Assessment shall be fifty percent (50%) of the assessment for developed lots. For assessment purposes, a Lot shall lose its status as an Undeveloped Lot upon the builder's resale of the Lot and dwelling erected thereon;

(b) On and after June 1, 2013, and in subsequent Association Fiscal Years, the Board of Directors of the Association may fix and levy an Annual Assessment in an amount not more than 10% above the Annual Assessment for the previous year without a vote of the membership of the Association; and

(c) After May 31, 2013, the Annual Assessment may be increased by more than 10% above the Annual Assessment for the previous year by a vote of two-thirds (2/3) of members who are voting in person or by proxy, at a meeting duly called for that purpose.

Section 4. *Date of Commencement of Annual Assessments and Due Dates.*

(a) The first Annual Assessment shall commence on June 1, 2012. The Board of Directors shall fix and levy subsequent Annual Assessments commencing June 1, 2012, at least 30 days in advance of each Annual Assessment period, provided that, if the Board of Directors should fail to act, the Annual Assessment shall be the same as the Annual Assessment for the preceding year. The due dates for payment of Annual Assessments shall be determined by the Board of Directors. Notice of each

Annual Assessment and the due date thereof shall be mailed to each Owner whose Lot is subject to Annual Assessments.

(b) During the development of the Addition, the Developer may, but shall not be obligated to, contribute to the Association the difference between the reasonable cost of the maintenance responsibilities of the Association hereunder and the assessments collected by the Association. During such period, the Developer shall, in its sole discretion determine the amount of the reasonable cost of such maintenance responsibilities

Section 5. *Special Assessments for Capital Improvements.* In addition to the Annual Assessments authorized above, the Association may fix and levy, in any Association Fiscal 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 Reserve Areas or other areas maintained by the Association, including fixtures and personal property related thereto, *provided that* any such assessment shall be approved by at least two-thirds (2/3) of the eligible votes of members.

Section 6. *Notice and Quorum for Actions.* Written notice of any meeting called for the purpose of taking any action for which a vote of Lot owners is required, shall be sent to all members not less than 30 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 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 (1/2) of the required quorum at the preceding meeting.

Section 7. *Time for Payment of Assessment.* Assessments may be collected on a periodic basis as determined by the Board of Directors.

Section 8. *Effect of Nonpayment of Assessments and Remedies of the Association.* Any Annual Assessment or Special Assessment not paid within 30 days after the due date thereof shall bear interest from the due date until paid at the rate of 10 percent per annum. The Association may bring an action at law against the Owner personally obligated and liable to pay the same and/or may foreclose the lien securing payment of the assessment against the Lot against which the assessment was made. No Owner may waive or otherwise escape liability for payment of the assessments provided for herein or the lien thereof by non-use of the Reserve Areas or abandonment of his Lot.

Section 9. *Subordination of Lien to Mortgages.* The lien of the assessments provided for herein shall be subordinate to the lien of any *bona fide* first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding or transfer in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. *Certificates of Assessment.* The Association shall, upon request, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments levied upon a specific Lot have been paid which certificate shall be binding upon the Association as of the date of its issuance.

ARTICLE V
Reserve Area Improvements and Easement

Section 1. *Reserve Area Improvements.* The Developer may make customary and reasonable improvements to the Reserve Area, but specifically disclaims any obligation to make particular or specified improvements. Each owner of a Lot by acceptance of a deed thereto, whether or not it shall be so expressed in the deed, shall be deemed to have accepted such improvements to the Reserve Area, as existing as of the date of acceptance of the deed.

Section 2. *Reserve Area Easement.* The Developer herein reserves the right and easement, but not the obligation, for a period of 5 years from the date hereof, to enter upon the Reserve Area of the Subdivision, and at its cost, to construct, repair, and maintain improvements. The exercise of the Developer's easement rights herein reserved shall not be deemed an acceptance of responsibility for any subsequent construction, repair or maintenance of improvements within the Reserve Area.

ARTICLE VI
General Provisions

Section 1. *Conflicting Provisions.* To the extent that this Declaration is in conflict with any provision of the Deed of Dedication which accompanied the Plat of Seven Oaks South or amendments thereof, the provisions of this Declaration shall control.

Section 2. *Enforcement of Protective Covenants.* The Association, or any Owner if the Association fails or refuses to act, shall have the right to enforce, by any proceeding at law or in equity all Protective Covenants. Failure by the Association or by any Owner to enforce the Protective Covenants or any provision thereof in any instance shall in no event be deemed a waiver of the right to do so thereafter.

Section 3. *Severability.* Invalidation of any of the Protective Covenants or the covenants, restrictions or provisions of this Declaration by judgment or court order shall in no wise affect any of the other provisions of the Protective Covenants or this Declaration all of which shall remain in full force and effect.

Section 4. *Assignability of Rights of the Developer.* The rights of the Developer herein established, including but not limited to the exemption from assessments of Lots owned by the Developer, shall inure to its successors or assigns if the Developer should convey to a third party more than one Lot, with the result that the Developer no longer owns a Lot, and the Developer expressly assigns such rights to the grantee in a recorded deed or other recorded document.

Section 5. *Term and Amendment.* The restrictions and covenants of this Declaration shall run with and bind the land and, to the extent permitted by applicable law, shall be perpetual, but in any event shall be in force and effect for a term of not less than thirty (30) years from the date this Declaration is recorded, unless terminated or amended as hereinafter provided. This Declaration may be amended or terminated at any time and from time to time, by a written instrument signed and acknowledged by the Developer (or its successors or assigns to whom the Developer's rights are expressly assigned as set forth above), during such period that the Developer (or, respectively, its successors or assigns to whom the Developer's rights are expressly assigned as set forth above) is the record owner of at least one (1) Lot, or alternatively, by a written instrument adopted by 60% of the eligible votes of the members and signed by the owners of the Lots consenting to the vote. In the event of any conflict between an amendment or termination properly executed by the Developer (or its successors or assigns to whom the Developer's rights are expressly assigned as set forth above) and any amendment adopted by 60% of the eligible votes of the members, the instrument executed by the Developer (or, respectively, its successors or assigns to whom the Developer's rights are expressly assigned as set forth above) shall prevail. An instrument amending this Declaration shall be recorded in the real estate records of the Office of the County Clerk of Tulsa County, Oklahoma, and shall be effective from and after the date of recording.

Section 6. *Annexation.* Additional residential property and Reserve Area may be annexed to the property affected by this Declaration by designation by the Developer or, alternatively, with the consent of two-thirds (2/3) of the eligible votes of members.

IN WITNESS WHEREOF, the undersigned, being the Developer herein, has hereunto set its hand this 1st day of May, 2012.

SEVEN OAKS SOUTH, L.L.C.

By: Glenn Shaw
Glenn Shaw, Manager

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

This instrument was acknowledged before me on the 1st day of May, 2012, by L. Glenn Shaw, Manager of SEVEN OAKS SOUTH, L.L.C., an Oklahoma limited liability company.

Commission:

Notary Public

JAMES H. FERRIS
Notary Public in and for
STATE OF OKLAHOMA
Commission # 99012424
Expires: Sept. 5, 2015