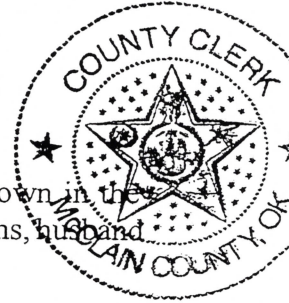


By KE Deputy
Return to: Scott Adkins

**DECLARATION OF PROPERTY OWNERS ASSOCIATION
FOR SUNSET RIDGE ESTATES I,
AN ADDITION TO GOLDSBY, McCLAIN COUNTY, OKLAHOMA**



THIS DECLARATION is made, executed and is to be effective on the date shown in the acknowledgment following this instrument by Bill Scott Adkins and Lysbeth Gayle Adkins, husband and wife, hereinafter referred to as "Declarant" (whether one or more).

WHEREAS, Declarant is the Owner of certain real property located in the Town of Goldsby, McClain County, State of Oklahoma, which is more particularly described on Exhibit A, attached hereto and made a part hereof by this reference (the "Property");

WHEREAS, Declarant intends to create a community which provides for the construction, upkeep, repair and maintenance of certain real property and common areas which will be improved and maintained for the benefit of those living within the community, along with the certain entrance areas and other common areas as may be located upon subsequent additions that will be annexed to the above mentioned property;

WHEREAS, Declarant desires to provide for the preservation of the values and amenities in said development, and for the maintenance, upkeep, improvement and administration of the community property and any other property later made a part of such association, and all improvements now existing or hereinafter erected thereon, and to establish and create an entity and agency for such purpose, and for the purpose of administering and enforcing the covenants and restrictions hereinafter set forth and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, there has heretofore been incorporated under the laws of the State of Oklahoma, as a non-profit corporation, Sunset Ridge Estates Property Owners Association, Inc. for the purpose of exercising the aforementioned functions.

NOW, THEREFORE, Declarant hereby declares that all of the Property and any Additional Property added by Supplementary Declaration is and shall be held, transferred, sold, conveyed and occupied subject to the easements, covenants, restrictions, dedications, charges and liens hereinafter set forth, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property, all of which shall run with said real property and shall be binding on all parties having or acquiring any right, title or interest in said real property or any part thereof, their heirs successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

Section 1.1. The following words, when used in this Declaration or any Supplementary Declaration shall, unless the context shall not permit, have the following meanings:

- a. "Additional Property" shall mean the property added to the development scheme by virtue of a Supplementary Declaration.
- b. "Association" shall mean and refer to the Sunset Ridge Estates Property Owners Association, Inc., a non-profit corporation incorporated under the laws of the State of Oklahoma, its successors and assigns.
- c. "Board" shall mean the Board of Directors of the Association.
- d. "By-Laws" shall mean the By-Laws of the Association which are or shall be adopted by the Board as such By-Laws may from time to time be amended.
- e. "Common Areas" shall mean: (i) the portion of the Property so described on the Plat of Sunset Ridge Estates I; (ii) the portion of the property so described on the plat of any Additional Property added by Supplementary Declaration; and (iii) the Common Maintenance Areas being and including (a) all landscaping, irrigation systems, utilities, markers, signs and other improvements or fixtures located within any islands, medians, and the like within any streets located in the Property or any Additional Property, (b) all street lights intended to light the entrances to or streets in the Property or Additional Property, (c) all entry gates serving the Property or any Additional Property together with fences, brick walls, sight screens, and other improvements, fixtures and utilities associated therewith, (d) all real property and improvements thereof which may from time to time be owned or leased by the Association or in which the Association has been granted or has reserved easement rights, together with all landscaping, irrigation systems, utilities, markers, signs and other improvements or fixtures therein or thereon intended for the common benefit of the Owners, (e) community mail boxes, and (f) any other areas of improvements otherwise required to be maintained by the Association. Any real property or improvement thereof which are described as Common Areas or Common Maintenance Areas by a Supplementary Declaration shall be deemed to be Common Areas as that term is defined herein and shall be integrated into and deemed to be a part of the Common Areas.
- f. "Declarant" shall mean Bill Scott Adkins and Lysbeth Gayle Adkins, husband and wife, their successors and assigns..
- g. "Dwelling" shall mean the one (1) single family residence constructed on a Lot.
- h. "Lot" shall mean those tracts of land so designated on the recorded subdivision plat of the Property; provided, however, in the event contiguous property owned by one Owner consists of more than one Lot shown on the recorded subdivision plat, upon which a single Dwelling unit is constructed, all of the Lots or parts of Lots so owned by said Owner, shall be deemed for the purpose of this Declaration to be one Lot.
- i. "Member," "Class A Member" and "Class B Member" shall mean those persons so defined in Article IV below.
- j. "Owner" shall mean the record Owner, whether one or more Persons, of the fee simple title

to any Lot, including contract sellers, but shall not include a mortgagee unless such mortgagee has acquired title pursuant to foreclosure; nor shall such term include any other Person who has an interest merely as security for the performance of an obligation.

- k. "Person" shall mean an individual, corporation, partnership, association, trust or other legal entity, or any combination thereof.
- l. "Supplementary Declaration" shall mean a Supplementary Declaration of Covenants and Restrictions as described in Article VIII, Section 8.2., below.

ARTICLE II

REAL PROPERTY SUBJECT TO THIS DECLARATION

Section 2.1. The real property which is, and shall be held, transferred, sold, conveyed and occupied, subject to this Declaration is located in the Town of Goldsby, McClain County, State of Oklahoma, and is more particularly described as follows:

All of Sunset Ridge Estates I, an addition to Goldsby, Oklahoma, according to the recorded plat thereof, being more particularly described by meters and bounds on Exhibit A attached hereto

and any Additional Property added by Supplementary Declaration.

ARTICLE III

ASSOCIATION PROPERTY

Section 3.1. The association property will be composed of the following:

- a. The Common Areas and any other property and other amenities subsequently annexed to and made a part of this Declaration as Common Areas and Association property by reason of Supplementary Declaration.
- b. Such other property or interests in property, real or personal, as may come into the ownership or control of the Association.

The Association property shall, at all times, be subject to the general terms and conditions of this Declaration, the By-Laws and Certificate of Incorporation of the Association. The Association will at all times have the right of ingress and egress, and a continuing easement and right of way over and across any adjoining Lots for the purpose of improving, repairing and maintaining, or having access to such Common Areas.

ARTICLE IV

MEMBERSHIP, CLASSES OF MEMBERS AND VOTING RIGHTS

Section 4.1. Membership. Every Owner of a Lot shall be a Member of the Association; provided, that any such Person who holds such interest merely as security for the performance of an obligation shall not be a Member. Ownership of such Lot shall be the sole qualification for membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

Section 4.2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners of Lots within Sunset Ridge Estates I, an addition to Goldsby, Oklahoma, and any Owners located in other platted additions of Additional Property added by Supplementary Declaration, with the exception of the Declarant. Class A Members, when a class vote is required, shall vote as a class. Each Class A Member shall be entitled to one vote for each Lot in which it holds the interest required for membership by Section 4.1 of this Article IV. When more than one Person holds an interest in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot and in no event shall a vote be split. In the event contiguous property owned by one Owner consists of more than one Lot shown on the recorded subdivision plat, upon which a single Dwelling unit is constructed, all of the Lots or parts of Lots so owned by said Owner, shall be deemed for the purpose of this Declaration to be one Lot and only one Class A Membership will be assigned to such Lots containing the single Dwelling.

provided, however, in the event contiguous property owned by one Owner consists of more than one Lot shown on the recorded subdivision plat, upon which a single Dwelling unit is constructed, all of the Lots or parts of Lots so owned by said Owner, shall be deemed for the purpose of this Declaration to be one Lot.

Class B. Class B Members shall be the Declarant. The Class B Members shall be entitled to three (3) votes for each Lot of which Declarant is the Owner.

Section 4.3. Each class of Members shall be entitled to vote, as a class, only when the proposal to be voted on:

- i. provides for an increase in the annual assessment as to such class and which proposed assessment requires the approval by the Members of the Association pursuant to Article VI hereof;
- ii. provides for special assessments for capital improvements to be assessed against the particular class;
- iii. provides for the merger (except as provided in Article VIII), consolidation, liquidation or dissolution of the Association;

- iv. provides for the sale of all or substantially all of the assets or properties of the Association; provided, however, that the mortgage, pledge or hypothecation of all or substantially all of the assets or properties of the Association for the purpose of obtaining funds for credit with which to acquire, improve or repair all or any part of such assets or properties of the Association shall not be deemed a sale of all or substantially all of the assets or properties of the Association; and
- v. provides for the election of directors by the Association in accordance with the By-Laws of the Association.

ARTICLE V

PROPERTY RIGHTS IN THE COMMON AREAS

Section 5.1. Members Easements of Enjoyment. Each Member of the Association shall have the right, and co-equal easement of enjoyment in the Association property, subject to compliance with this Declaration, the By-Laws, and Certificate of Incorporation of the Association.

Section 5.2. The Association shall control, maintain, repair, manage and improve the Common Areas and Association property as provided in this Declaration and in its Certificate of Incorporation and By-Laws. In that regard, the Association shall, at all times, have a perpetual easement and right to enter upon such Association property and individual Lot Owners property for the purpose of the repair, maintenance and upkeep of the Common Areas. Such right and power of control and management shall be exclusive.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 6.1. Creation of Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Property, and each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in any such deed or conveyance, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges and (2) special assessment for capital improvements, both of which assessments are to be established and collected as hereinafter provided. Such assessments and cost of collection thereof shall be a charge on and shall be a continuing lien upon each Lot against which such assessment is made, paramount and superior to any homestead or any other exemption provided by law, from the date that notice of such lien is filed of record by the Declarant, the Association or any Owner. Each such assessment, together with such interest, costs and reasonable attorneys fees incurred in the collection thereof shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them, but, nevertheless, the lien above-mentioned rising by reason of such assessment, shall continue to be a charge and lien upon the Lot as above provided.

Section 6.2. 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 residents, the costs and expenses of the Association including, without limitation, insurance premiums and professional fees, and to improve and maintain the Common Areas.

Section 6.3. Basis and Maximum of Annual Assessments. Until January 1, 2006, the maximum annual assessment shall be as follows:

Class A Member -	\$100.00 per year
Class B Member -	\$5.00 per year

From and after January 1, 2006, the maximum annual assessment may be increased each year by the Board of Directors of the Association no more than Ten (10%) percent above the maximum assessment for the previous year without a vote of the membership.

From and after January 1, 2006, the maximum annual assessment may be increased above Ten (10%) percent provided, that any such increase as to any class shall have the assent of a majority of the Members, of such class, pursuant to votes cast at a meeting duly called for this purpose, written notice of which; setting out the purpose of the meeting, shall be sent to all Members not less than ten (10) nor more than forty (40) days in advance of the meeting.

After consideration of current costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum herein provided.

Section 6.4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto; provided, that any such assessment as to any class shall have the assent of at least a majority of the Members of such classes pursuant to votes cast in person or by proxy at a meeting duly called for such purpose, notice of which shall be sent to all Members of such class not less than ten (10) or more than sixty (60) days in advance of the meeting.

Section 6.5. Quorum for Meetings. At any meeting of the Members of the Association, the presence at the meeting of Members or written proxies entitled to cast, a majority of all of the votes of the Membership shall constitute a quorum; provided, however, that if a quorum is not present at any meeting duly called, the Members present, though less than a quorum, may give notice to all Members as required herein for the transaction to be considered at an adjourned meeting, and at the adjourned meeting whatever Members are present shall constitute a quorum.

Section 6.6. Commencement Date of Annual Assessments. The annual assessments provided for herein shall commence immediately on the filing of this Declaration with the County Clerk of McClain County. For the balance of the calendar year 2005, all Lot Owners shall pay their respective assessment set forth herein in a pro-rata manner. Thereafter, all annual assessments shall be due and payable on the first (1st) day of January of each year, in advance. The Board of Directors

will fix the amount of annual assessments against each Lot at least thirty (30) days in advance of each annual assessment. The Association shall, upon demand at any time, furnish to any Owner liable for said assessment a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid. A reasonable charge may be made by the Board for the issuance of these certificates.

Section 6.7. Credit for Expenditures. Notwithstanding the foregoing, monies expended by the Declarant prior to or during any assessment period in improving and maintaining the Common Areas or providing services which would otherwise be the responsibility of the Association shall be applied as credits to the sums otherwise owed by the Declarant to the Association hereunder as annual maintenance or special assessments for the same period, upon the receipt by the Association of evidence thereof from the Declarant. Should the amounts so expended by the Declarant in any assessment period exceed the assessments against the Declarant for that period, the difference shall be carried forward and applied as a credit or credits in the succeeding period or periods.

Section 6.8. Subordination of Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any real estate mortgage or mortgages. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such mortgage, sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

Section 6.9. Exempt Property. The following property, subject to this Declaration, shall be exempt for the assessments:

- i. All properties dedicated to and accepted by a local public authority;
- ii. The Common Areas; and
- iii. Any other common property or area for which the Association is responsible.

Section 6.10. Initial Board of Directors. The initial Board shall be Bill Scott Adkins, Lysbeth Gayle Adkins and Phillip T. Adkins or replacements selected by Declarant, who shall be authorized to elect officers as provided in the By-Laws. The initial Board shall serve until the first meeting of the Members after the commencement of annual assessments.

Section 6.11. Duties of the Board. With respect to assessments, the Board shall:

- i. Fix the commencement date for annual assessments against all Lots then owned by the Declarant and against all Lots then owned and occupied by other Owners, and send written notice thereof to all Owners, including Owners of unoccupied Lots, at least thirty (30) days before such commencement date;

- ii. Cause the Association to prepare and maintain a roster of Lots, the Owners thereof, the assessments applicable thereto, if any, and the status of the payment thereof, which shall be kept in the office of the Association and which shall be open to inspection by any Owner; and
- iii. Upon demand at any time furnish to any Owner liable for an assessment a certificate in writing signed by any officer of the Association, stating whether said assessment has been paid, or if being paid in installments, whether payments are current. Such certificate shall be conclusive evidence of payment of any assessment or installment thereof which is therein stated to have been paid.

ARTICLE VII

Section 7.1. Enforcement by Association. Declarant has heretofore filed with the County Clerk of McClain County, Oklahoma, in Book 1740, Page 462, McClain County records, a certain "Declaration of Covenants, Conditions and Restrictions for Sunset Ridge Estates I." It shall be the right and duty of the Association to enforce all the covenants, conditions, and restrictions and all of the terms and provisions set forth in that Declaration or any amendment thereto. The Association, or any Owner, 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 and/or the said Declaration of Covenants, Conditions and Restrictions for Sunset Ridge Estates I. Failure by the Association or by any Owner to enforce any covenant, condition or restriction or any term or provision herein or therein contained shall in no event be deemed a waiver of the right to do so thereafter. The prevailing party in any such litigation shall be entitled to the award of a reasonable attorney fee to be paid by the other party. Although, so long as Declarant is an Owner, it may bring an action to enforce the provisions of this Declaration and/or the said Declaration of Covenants, Conditions and Restrictions for Sunset Ridge Estates I, Declarant has no duty to do so.

Section 7.2. The covenants and restrictions contained in this Declaration shall run with and bind the land and the Lots and shall inure to the benefit of and be enforceable by the Association, or any Owner, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by a vote of the Owners of ninety percent (90%) of the Lots (which must include any additional Lot Owners in subsequently annexed property to this Declaration), and thereafter by a vote of the Owners of seventy-five percent (75%) of the Lots (which must include any additional Lot Owners in subsequently annexed property to this Declaration).

ARTICLE VIII

Section 8.1. Right to Expand. Declarant intends to add and annex certain other real property within the SW4 of Section 23, T.8.N., R.3.W., I.M., that is bordering, near or adjacent to Sunset Ridge Estates I or that is bordering, near or adjacent to Additional Property added by Supplementary

Declaration. Upon and in the event, in the future, Declarant, its successors or assigns, plats subsequent additions in said SW4 of said Section 23, Declarant shall have the right and authority, by Supplementary Declaration, to annex such additional real property to this Declaration.

Section 8.2. Supplementary Declaration. The additions authorized under this Article shall be made by filing of record a Supplementary Declaration (herein called "Supplementary Declaration") with respect to the Additional Property which shall extend the scheme of the covenants, voting rights and restrictions of this Declaration to such property. Such Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the Additional Property, provided they are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify or add to the covenants and restrictions established by this Declaration as to the Property covered thereby prior to such addition.

ARTICLE IX

Section 9.1. Right to Assign. Declarant may, by appropriate instrument, assign or convey to any person, organization or corporation, any or all of the rights, reservations, easements and privileges herein reserved by Declarant, and upon such assignment or conveyance being made, its assigns or grantees may, at their option exercise, transfer or assign such rights, reservations, easements and privileges or any one or more of them at any time or times, as to those rights directly reserved by it in this instrument.

ARTICLE X

Section 10.1. Amendments. Declarant, or a representative designated by them, hereby reserves and are granted the right and power to record a Special Amendment to the Declaration at any time and from time to time which amends this Declaration (1) to comply with requirements of the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Department of Housing and Urban Development, the Federal Housing Association, the Veteran's Administration, or any other Governmental agency or any other public, quasi-public or private entity which performs (or may in the future perform) functions similar to those currently performed by such entities; and/or (2) to induce any of such agencies or entities to make, purchase, furtherance of the foregoing, a consent to a Special Amendment on behalf of each Owner. Each deed, mortgage, trust deed, other evidence or obligation or other instrument affecting a Lot and the acceptance thereof shall be deemed to be a grant and acknowledgment of, and a consent to the reservation of the power of the such parties to make, execute and record such Special Amendments. No Special Amendment made by such parties shall affect or impair the Lien of any first and mortgage upon a Lot or any warranties made by an Owner to a first mortgagee in order to induce any of the above agencies or entities to make, purchase, insure or guarantee the first mortgage on such Owner's Lot.

Section 10.2. This Declaration of Property Owner's Association for Sunset Ridge Estates I, may be amended at any time upon an affirmative vote of three-fourths (3/4) of the Members upon a meeting held for such purpose.

ARTICLE XI

Section 11.1. Right to Assign. The Declarant, by an appropriate instrument or instruments, may assign or convey to any Person any or all of the rights, reservations, easements and privileges herein reserved by Declarant, and upon such assignment or conveyance being made, its assignees or grantees may, at their option, exercise, transfer or assign such rights, reservations, easements and privileges, or any one or more of them, at any time or times in the same way and manner as though directly reserved by them or it in this instrument.

ARTICLE XII

Section 12.1. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address for the person who appears as a Member or Owner on the records of the Association at the time of such mailing.

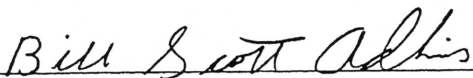
ARTICLE XIII

Section 13.1. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restrictions, either to restrain violation or to recover damages, and failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XIV

Section 14.1. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

In witness whereof, the undersigned Declarant, as owner of all of Sunset Ridge Estates I, an addition to Goldsby, Oklahoma, hereby executes the same as of the date and year shown in the acknowledgment.


Bill Scott Adkins

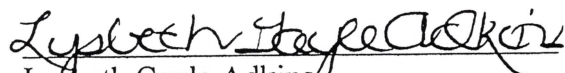

Lysbeth Gayle Adkins

EXHIBIT A

SUNSET RIDGE ESTATES I, an Addition to Goldsby, McClain County, Oklahoma according to the recorded plat thereof, being a part of the SW1/4 Section 23, T.8 N., R.3 W., I.M. in McClain County, Oklahoma and being more particularly described by metes and bounds as follows:

COMMENCING at the SW Corner of said Section 23, THENCE South $89^{\circ}56'54''$ East and along the South line of said Section 23 a distance of 330.00 feet to the POINT OF BEGINNING;

THENCE North $00^{\circ}01'14''$ West a distance of 1385.91 feet;

THENCE South $75^{\circ}18'17''$ East a distance of 135.95 feet;

THENCE South $58^{\circ}03'02''$ East a distance of 1095.19 feet;

THENCE South $00^{\circ}01'19''$ East a distance of 772.84 feet to the South line of said Section 23;

THENCE North $89^{\circ}56'54''$ West and along said South line a distance of 1060.58 feet; to the POINT OF BEGINNING, containing 1,166,837.12 sq.ft. or 26.7869 acres, more or less.