

Tulsa County Clerk - EARLENE WILSON
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DECLARATION OF COVENANTS
OF
THE RESERVE AT BATTLE CREEK

THIS DECLARATION is made this 16th day of July, 2002, by THE RESERVE AT BATTLE CREEK, L.L.C., an Oklahoma limited liability company, ("Declarant")

WITNESSETH:

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

All of THE RESERVE AT BATTLE CREEK, an addition to the City of Broken Arrow, Tulsa County, State of Oklahoma, according to the recorded Plat thereof,

(the "Addition"); and

WHEREAS, Declarant has caused the THE RESERVE AT BATTLE CREEK MASTER HOMEOWNERS' ASSOCIATION, INC., an Oklahoma non-profit corporation, to be formed for the purposes of owning and maintaining Reserve Areas A through K in the Addition, 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, Declarant intends to convey the Reserve Areas of the Addition defined below 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, Declarant 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 Reserves A through K so named and depicted on the recorded Plat of the Addition, as well as all other property located in the Addition which is 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 against each Lot and Owner in the Addition 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.

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 property.

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 Declarant and 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.

Class B. The Class B member shall be the Declarant which shall be entitled to three (3) votes for each Lot owned. The Class B membership shall automatically terminate and be converted to Class A membership upon the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership, or
- (b) on July 1, 2005.

ARTICLE IV *Covenants for Assessments*

Section 1. Creation of Lien and Personal Obligation of Assessments. The Declarant, as the present owner of each Lot within the Addition, hereby covenants, and each Owner of any Lot 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 for payment of the expenses of the Association and the purposes set forth above.

Section 3. Annual Assessment. Each calendar year, the Association shall fix and levy an Annual Assessment against each and every Lot and Owner in an amount to be determined by the Association in compliance with the following provisions:

- (a) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Assessment shall be Two Hundred Fifty Dollars (\$250.00) per Lot;
- (b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the Board of Directors of the Association may fix and levy an Annual Assessment

in an amount not more than 5% above the Annual Assessment for the previous year without a vote of the membership of the Association; and

(c) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the Annual Assessment may be increased by 10% above the Annual Assessment for the previous year by a vote of two-thirds (2/3) of each class 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. The first Annual Assessment shall commence on a date to be determined by the Board of Directors of the Association and shall be adjusted according to the number of months remaining in that calendar year. The Board of Directors shall fix and levy subsequent Annual Assessments 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.

Section 5. Special Assessments for Capital Improvements. In addition to the Annual Assessments authorized above, the Association may fix and levy, in any calendar 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, including fixtures and personal property related thereto, *provided that* any such assessment shall have the assent of at least two-thirds (2/3) of the Class A membership, voting in person or by proxy at a meeting duly called for that purpose.

Section 6. Notice and Quorum for Actions Authorized Under Sections 3 or 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 5 of this Article IV 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 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 (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.

Section 7. Uniform Rate of Assessment. Both Annual Assessments and Special Assessments must be fixed at a uniform rate and may be collected on a monthly basis.

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 General Provisions

Section 1. 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.

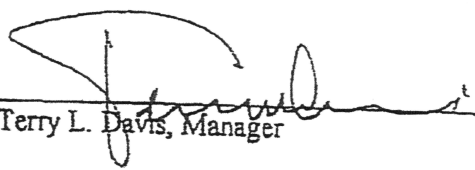
Section 2. Severability. Invalidity of any of the Protective Covenants or the covenants, restrictions or provisions of this Declaration by judgment or court order shall in no wise affect any of the other provisions of the Protective Covenants or this Declaration all of which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land included within the Addition until July 1, 2011, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by a written instrument signed and acknowledged by the Owners of more than 75% of the Lots, and the provisions of such instrument shall be binding from and after the date it is properly recorded in the office of the County Clerk of Tulsa County, Oklahoma.

Section 4. Annexation. Additional residential property and common area may be annexed to the property affected by this Declaration with the consent of two-thirds (2/3) of each class of members.

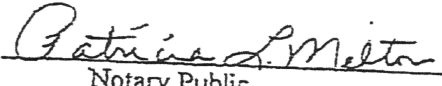
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand this 16th day of July, 2002.

THE RESERVE AT BATTLE CREEK, L.L.C.

By: 
Terry L. Davis, Manager

STATE OF OKLAHOMA)
) ss.
COUNTY OF TULSA)

This instrument was acknowledged before me on July 16, 2002, by Terry L. Davis, Manager of THE RESERVE AT BATTLE CREEK, L.L.C., an Oklahoma limited liability company.


Notary Public



Comm. No. 99012425
Exp. Date 09/14/03
JHF.RESERVE AT BATTLE CREEK.DECLARATION OF COVENANTS