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**DECLARATION OF PROPERTY OWNERS ASSOCIATION
FOR FOUNTAINGRASS ADDITION, SECTION 1
TO OKLAHOMA CITY, OKLAHOMA**

THIS DECLARATION is made, executed, and is to be effective on the date shown in the acknowledgment following this instrument by Vero Investments, Inc., a corporation, hereinafter referred to as Declarant.

WHEREAS, Declarant is the owner of all of FOUNTAINGRASS Addition, Section 1, to Oklahoma City, Oklahoma, according to the recorded plat thereof, and as follows:

WHEREAS, Declarant intends to create a community which provides for the construction, upkeep, repair and maintenance of certain real property as hereinafter described, along with the upkeep of 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 addition, 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, Fountaingrass Property Owners Association, Inc., for the purpose of exercising the aforementioned functions.

NOW, THEREFORE, Declarant hereby declares that all of the real property described in Article II hereof is and shall be held, occupied, sold and conveyed 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.

Ret: Vero Investments LLC
1320 N. Porter
Norman, OK 73071

ARTICLE I

DEFINITIONS

Num. Index _____
B.& P.N. Index _____
Margin _____

Section 1. The following words, when used in this Declaration or any Supplemental Declaration shall, unless the context shall not permit, have the following meanings:

- A. "Association" shall mean and refer to Fountaingrass Property Owners Association, Inc., a non-profit corporation, incorporated under the laws of the State of Oklahoma, its successors and assigns.
- B. "Properties" shall mean and refer to that certain real property described in Article II hereof.
- C. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.
- D. "Common Areas" or "Commonly Owned Property" or "Association Property" shall mean:

Any common area or property made a part of or, subsequently annexed to, and made part of this Declaration and Association property, including, but not limited to, certain entrance areas and detention ponds located on or near subsequent

platted additions that will be subsequently made a part and parcel of this Declaration. "Association Property" also includes certain upgraded poles used for traffic control signs, street signs, and streetlights.

- E. "Lot" shall mean and refer to any lot shown upon the recorded subdivision map of all or any part of the Properties with the exception of the common areas.
- F. "Member" shall mean and refer to every person and/or entity who holds membership in the Association.
- G. "Person" shall mean an individual, corporation, partnership, Association, trust or other legal entity, or any combination thereof.
- H. "Dwelling Unit" shall mean and refer to any portion of a building situated upon the Properties designed and intended for use and occupancy as a residence by a single family.
- I. "Development" shall refer to Declarant, its successors or assigns.
- J. "Development" shall mean the real property contained within all of FOUNTAINGRASS ADDITION, Section 1:

Fountaingrass Addition Section 1 to Oklahoma City, Canadian County, Oklahoma, according to the recorded plat thereof.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

The real property which is, and shall be held, transferred, sold, conveyed and occupied, subject to this declaration is located in the City of Oklahoma City, Oklahoma County, State of Oklahoma, and is more particularly described as follows:

All of FOUNTAINGRASS ADDITION, Section 1, to Oklahoma City, Oklahoma, according to the recorded plat thereof.

ARTICLE III

ASSOCIATION PROPERTY

Section 1. The association property will be composed of the following:

- i. Any common area or property made a part of or, subsequently annexed to, and made a part of this Declaration and Association property, including, but not limited to, certain entrance areas and detention ponds located on or near subsequent platted additions that will be made a part and parcel of this Declaration;
- ii. Certain upgraded poles used for traffic control signs, street signs, and streetlights. It shall be the responsibility of the Association to maintain these poles at their own expense. Maintenance will be accomplished by professional third parties, not members nor relatives of any member of the Association.
- iii. The Association will at all times have the right of ingress and egress, and a continuing easement right over and across any adjoining property owners lots for the purpose of repairing and maintaining, or having access to such common area.
- iv. The Association property shall, at all times, be subject to the general terms and conditions of this Declaration, the By-Laws, and Articles of Incorporation of the Association.

- iii. The Association shall, at all times, carry sufficient liability and fire and extended coverage insurance on the Association property, along with any improvements thereon.
- iiii. The mowing, landscaping, and upkeep of the Common Areas of the Association shall be accomplished by professional third parties at the expense of the Association. It is the intent of this paragraph that contracts for the same not be let to the homeowners within the addition, nor their relatives.

ARTICLE IV

MEMBERSHIP, CLASSES OF MEMBERS AND VOTING RIGHTS

Section 1. Every person who is a record owner of a fee or undivided interest in a lot in the Development 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 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners of lots within FOUNTAINGRASS Addition, Section 1, to Oklahoma City, Oklahoma, and any lot owners subsequently joining the Association located in other platted additions, 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 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. If one dwelling unit is constructed on two or more lots only one Class A membership will be assigned to such lots containing the single dwelling unit.

Class B. Class B members shall be the Developer. The Class B members shall be entitled to three (3) votes for each lot in which Declarant or Developer holds the interest required for membership by Section 1 of this Article IV.

Section 3. Each class of members shall be entitled to vote, as a class, only when the proposal to be voted on:

- a. 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;
- b. provides for special assessments for capital improvements to be assessed against the particular class;
- c. provides for the merger (except as provided in Article VIII), consolidation, liquidation or dissolution of the Association;
- d. 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;

- e. 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 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 Articles of Incorporation of the Association.

Section 2. The Association shall control, maintain, repair, manage and improve the Common areas/Association property as provided in this Declaration and in its Articles 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 1. Creation of Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the properties, 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, such assessments to be fixed, and cost of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which any 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 property 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 land as above provided.

Section 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 in the properties and in particular the following:

Any common areas or property made a part of or, subsequently annexed to, and made part of this Declaration and Association property, including, but not limited to, certain entrance areas and detention ponds located on or near subsequent platted additions that will subsequently be made a part and parcel of this Declaration.

Section 3. Basis and Maximum of Annual Assessments. Until January 1 of the year immediately following the execution and the filing of this Declaration with the County Clerk of Cleveland County, the maximum annual assessment shall be as follows:

Class A Member	<u>\$50.00</u> per year
Class B Member	\$ -0- per year

From and after January 1, 2005, the maximum annual assessment may be increased each year by the Board of Directors of the Association not more than Ten (20%) percent above the maximum assessment for the previous year without a vote of the membership.

From and after January 1, 2005, the maximum annual assessment may be increased above Twenty (20%) 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 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 this purpose of the meeting, 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.

Section 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, one-tenth (1/10) 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. 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 Cleveland County. For the balance of the year 2004, all Lot owners shall pay their respective assessment set forth therein a pro-rata manner. Thereafter, all annual assessments shall be due and payable on the first 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 7. Effect of Non-Payment of Assessments and Remedies of the Association. Any assessments which are not paid within thirty (30) days of being due, shall have added thereto a late penalty of Ten Dollars (\$10.00) together with interest thereon from the due date of eighteen (18%) percent per annum, together with reasonable attorneys fees and costs of collection thereon become a continuing lien on the property which shall bind such property in the hands of the then owner, his heirs, devisees, personal representatives, successors and assigns. The Association may bring an action at law against the owner to recover the amount for which he may become liable and/or may foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the common areas or abandonment of his lot.

Section 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 assessments thereafter becoming due or from the lien thereof.

Section 9. Exempt Property. The following property, subject to this declaration, shall be exempt from the assessments:

- a. All properties dedicated to and accepted by a local public authority; and
- b. The common areas; and
- c. Any other common property or area for which the association is responsible.

ARTICLE VII

Section 1. Enforcement by Association. Declarant has heretofore filed with the County Clerk of Canadian County, Oklahoma, in Book 2942, Page 239, Oklahoma County records, a certain "Owners Certificate, Dedication and Reservations" as to FOUNTAINGRASS Addition, Section 1, to Oklahoma City, Oklahoma, according to the recorded plat thereof. It shall be the right and duty of the Association to enforce all the terms and conditions set forth in such document.

Section 2. The covenants and restrictions contained in this declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association, or the owner of any land subject to this declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date of recordation of this instrument, after which time said covenants shall be automatically extended for successive periods of ten (10) years; provided, however, that the owners of three-fourths (3/4) of the lots herein platted, (Which must include any additional lot owners in subsequently annexed property to this Declaration) may at the end of such twenty (20) years term or at the end of any successive ten (10) year period thereafter, by a written instrument, signed by all of such persons, vacate or modify all or any part of this declaration and the covenants herein contained.

ARTICLE VIII

Section 1. Right to Expand: Declarant intends to add and annex certain other real property that is bordering, near or adjacent to FOUNTAINGRASS Addition, Section 1. Upon and in the event, in the future, Developer, its successors and assigns, plats subsequent additions adjacent, near or bordering FOUNTAINGRASS Addition, Section 1, Developer shall have the right and authority, by Supplementary Declaration, to annex such additional real property to this Declaration. The same will be in the form of a supplementary declaration, be in writing, and contain the following:

- A. Description of the land to be annexed;
- B. A description of any property to become a part and parcel of such Association.

Upon filing the above-mentioned Supplementary Declaration, all existing lot owners covered by this Declaration within FOUNTAINGRASS Addition, Section 1, and future lot owners of the property to be annexed shall be bound by the terms of this Declaration and such Supplementary Declaration.

ARTICLE IX

Section 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 1. Amendments. Of Declaration by Declarant. In addition to specific amendment rights granted elsewhere in this Declaration and without restriction by any term within this Declaration, until termination of the Class "B" membership, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, Declarant may unilaterally amend this Declaration if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state or federal governmental agency. Any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing. In addition, so long as Declarant owns property in Fountaingrass Addition Section 1 on property subsequently annexed to this Declaration in accordance with Article VIII above, it may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

Section 2. Amendment of Declaration by Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing [75%] of the total Class "A" votes in the Association, including [75%] of the Class "A" votes held by Members other than Declarant, and the consent of Declarant, so long as Declarant owns any property subject to this Declaration or which may become subject to this Declaration in accordance with Article VIII. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Section 3. Validity and Effective Date. No amendment may remove, revoke, or modify any right or privilege of Declarant or the Class "B" Member without the written consent of Declarant or the Class "B" Member, respectively (or the assignee of such right or privilege). If an Owner consents to any amendment to this Declaration, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment. Any amendment shall become effective upon Recording, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its Recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

ARTICLE XI

Section 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 XII

Section 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 XIII

Section 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.

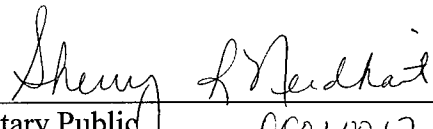
In witness whereof, the undersigned Declarant, as owner of all of FOUNTAINGRASS Addition, Section 1, to Oklahoma City, Oklahoma, hereby executes the same as of the date and year shown in the hereinafter acknowledgments.

Vero Investments, LLC


Richard McKown, Manager

STATE OF OKLAHOMA)
)
COUNTY OF CLEVELAND) SS

This instrument was acknowledged before me on June 17, 2004, by Richard McKown, as manager of Vero Investments, LLC.


Notary Public 00010012



My Commission Expires Jul. 1, 2004 04

Doc # 2004019157
Bk 2942
Pg 279-286
DATE 07/14/04 12:08:18
Filing Fee \$27.00
Documentary Tax \$0.00
State of Oklahoma
County of CANADIAN *SS*
CANADIAN County Clerk
PHYLLIS BLAIR

