

**BYLAWS
OF
SUNRISE HILLS PROPERTY OWNERS ASSOCIATION,
an Oklahoma non-profit corporation**

ARTICLE I

This corporation shall be known as the SUNRISE HILLS PROPERTY OWNERS ASSOCIATION (the "Corporation").

ARTICLE II

The principal place of business shall be at 1000 West Wilshire, Suite 308, Oklahoma City, Oklahoma 73116. Other offices may be maintained at such other places as the Directors may from time to time determine.

ARTICLE III

The purpose for which the Corporation is formed is to acquire, own and provide for the maintenance and management of the Common Areas located within all sections of Sunrise Hills, a subdivision in Yukon, Canadian County, Oklahoma (collectively, the "Residential Community"), and to provide maintenance services for said Property, all in accordance with the Restrictive Covenants and Bill of Assurance recorded in the office of the County Clerk of Canadian County, Oklahoma on May 30, 1995 in Book 1935 at page 864 for Sunrise Hills Addition Section 3, being a part of the NW/4, Section 22, Township 12 North, Range 5 West of the Indian Meridian, Yukon, Canadian County, Oklahoma (the "Declaration") and subsequent Declarations filed for future additions within the Residential Community.

ARTICLE IV

Unless the defined terms in these Bylaws or the context of these Bylaws clearly indicate otherwise, all definitions contained in the Declaration, as amended, supplemented or restated from time to time shall apply hereto and are incorporated herein by reference. Any Member of the Corporation is subject to the provisions and regulations set forth in these Bylaws.

ARTICLE V

Every Person (defined as a natural person, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or combination thereof) who is a record owner of a fee or undivided interest in any Lot within the Residential Community is automatically a Member of the Corporation and is subject to the Declaration, as amended, supplemented or restated covering all or any part of the Residential Community. The foregoing is not intended to include Persons holding an interest merely as security for the performance of an obligation. No Owner shall have more than one (1) membership interest for each Lot. Membership shall be

appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Corporation. Ownership of such Lots shall be the sole qualification for membership in the Corporation.

ARTICLE VI

Class of Members and Voting Rights. The Corporation shall have one (1) class of voting membership as follows: Members shall be all those Owners of single family residential Lots, with the exception of Declarant, as defined in the Declaration. Each Class A Member shall be entitled to one (1) vote for each Lot in which such Owner holds the interest required for membership. When more than one (1) Person holds such interest in any Lot, all such Persons shall be members. The vote of such Lots shall be exercised as they among themselves determine but, in no event, shall more than one (1) vote be cast with respect to any Lot. The Developer is entitled to one (1) vote for each Lot the Developer owns and the Developer is not required to pay Annual Maintenance Charges (as hereafter defined) or Special Assessments (as hereafter defined) without Developer's express written consent.

ARTICLE VII

Meetings of the Members shall be held at least annually each year commencing the year following the Developer's transfer of control of the Corporation to the Owners. After transfer of control to the Owners, meetings of the Owners shall be held annually in April of each ensuing year. The annual meetings shall be held at such place, within or without the State of Oklahoma, as the Board of Directors may determine. The purpose of the annual meeting is for the election of the First Elected Board consisting of not less than three (3) nor more than six (6) members who shall serve for the ensuing year and for the transaction of such other business of the Corporation as may properly come before the meeting. Special meetings of the Members may be called at any time by the President of the Corporation, or by a majority of the Board of Directors, or upon written request of a majority of the Members delivered to the Secretary of the Corporation. However, no meeting of Members shall be called or held within sixty (60) days of the preceding meeting. At any meeting of the Members, the presence at the meeting of Members or of proxies entitled to cast a majority of all the votes shall constitute a quorum; provided, however, that if the required quorum is not present at a duly called meeting, the Members present, though less than a quorum, may give notice to all Members of the transaction to be considered at an adjourned meeting and at the adjourned meeting, one-half (1/2) of the required quorum at the preceding meeting shall constitute a quorum.

The Secretary of the Corporation shall mail a notice of each meeting, stating the purposes thereof, the items on the agenda, including a general nature of any proposed amendment to the Declaration or these By-Laws, as well as the time and place such meeting is to be held to each Member not less than ten (10) days nor more than thirty (30) days prior to said meeting.

ARTICLE VIII

The Developer shall appoint, dismiss and reappoint the initial members of the Board of Directors (the "Appointed Board") until the initial meeting of Members at which time the Members shall elect the Board of Directors (the "First Elected Board"). The Appointed Board may engage the Developer, an affiliate of Developer or other entity to perform the day-to-day operations of the Corporation, including, without implied limitation, the maintenance, repair, replacement, administration and operation of the Residential Community, which action by Developer or an affiliate of Developer shall not be deemed a conflict of interest. Special meetings of the Members shall be held at such place, time and on the date specified in the notice or as provided in these Bylaws.

The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Corporation and for the maintenance of the Common Properties within the Residential Community. The powers and duties of the Board of Directors shall include, but shall not be limited to, the following, all of which shall be performed on behalf of the Members of the Corporation.

- a) **Administration.** To administer and enforce the covenants, conditions and restrictions, easements, uses, limitations, obligations, Rules and Regulations and all other provisions set forth in the Declaration, as amended.
- b) **Rules and Regulations.** To establish, make and enforce compliance with such Rules and Regulations as may be necessary for the operation, use and occupancy of the Common Properties within the Residential Community, with the right to amend the same from time to time. A copy of such Rules and Regulations, and any amendments thereto, shall be delivered or mailed by the Secretary to each Member within five (5) days following the adoption thereof.
- c) **Maintenance of Common Properties.** To keep in good order, condition and repair the Common Properties and all items of common personal property used by the Owners in the enjoyment of the Residential Community.
- d) **Insurance.** To insure the Common Properties in an amount equal to its maximum replacement value. Further, to obtain and maintain comprehensive general liability insurance coverage for at least One Million Dollars (\$1,000,000) per occurrence for bodily injury and property damage.
- e) **Budget; Determination of Assessments; Increase or Decrease Same; Levy of Special Assessments.** To prepare an annual budget for the Corporation, to determine the amount of Annual Maintenance Charges payable by the Members to meet the common expenses of the Corporation, to allocate and assess such Annual Maintenance Charges among the Members and, by a majority vote of the Board of Directors, to adjust the amount of the Annual Maintenance Charges and to levy and collect Special Assessments, whenever, in the opinion of the Board of

Directors, it is necessary to do so in order to meet increased operating or maintenance expenses, additional capital expenses or because of emergencies. Annual Maintenance Charges and Special Assessments are hereafter sometimes referred to collectively as "Assessments."

- f) **Enforcement of Assessment Lien Rights.** To collect delinquent Assessments by suit or otherwise and to enjoin or seek damages from a Member who may be in default in payment of such Assessments as provided in the Declaration and these By-Laws. To collect interest at the rate of eighteen percent (18%) per annum plus a late fee of Twenty-Five Dollars (\$25) in connection with Assessments remaining unpaid more than thirty (30) days from due date, together with all costs and expenses incurred in connection therewith, including attorneys' fees.
- g) **Protect and Defend.** To protect and defend the Residential Community from loss and damage by suit or otherwise.
- h) **Borrow Funds.** To borrow funds in order to pay for any expenditure required pursuant to the Declaration or these By-Laws, and to execute all such documents evidencing such indebtedness as the Board of Directors deems necessary.
- i) **Contract.** To enter into contracts within the scope of the Board's duties and powers.
- j) **Bank Account.** To establish a bank account for the Maintenance Fund and such additional accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.
- k) **Manage.** To make repairs, additions, alterations and improvements necessary to maintain the Common Properties in a first class manner.
- l) **Annual Statement.** To prepare and deliver annually to each Owner a statement showing receipts, expenses and disbursements since the last statement. The Members and mortgagees of Members shall have the right to inspect the books of the Corporation on reasonable notice.
- m) **Meetings.** To meet at least semi-annually provided that any Board of Directors meeting may be conducted by telephone or other device which permits all of the Directors in attendance to participate at such meeting, and provided further that any action required to be taken at any meeting of the Board of Directors or any action which may be taken at such meeting, may be taken without a meeting if a consent in writing setting forth the action so taken, shall be signed by all members of the Board.

- n) **Personnel.** To designate, employ and dismiss the personnel necessary for the maintenance and operation of the Common Properties or other administration of the Residential Community or the Corporation.
- o) **Managing Agent.** To employ for the Corporation a management agent (“Managing Agent”).
- p) **All Things Necessary and Proper.** To do all things necessary and proper for the sound and efficient management of the Common Properties and to advance the health, safety and welfare of the Members.

Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Corporation.

At any regular or special meeting duly called, any one (1) or more of the Directors may be removed with or without cause by two-thirds ($2/3^{\text{rds}}$) of the Members, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members shall be given an opportunity to be heard at the meeting. Should any Director miss three (3) consecutive regular meetings of the Board of Directors, such Director shall be automatically removed from the Board and a successor selected and approved by the Board to fill such Director’s unexpired term.

Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time by a majority of the Directors, but at least one (1) such meeting shall be held semi-annually. Notice of regular meetings of the Board of Directors shall be given to each Director personally or by mail, by telephone or by telefacsimile at least five (5) days prior to the day named for such meetings.

Special meetings of the Board of Directors may be called by the President on five (5) days notice to each Director, given personally, by mail, by telephone or by telefacsimile which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary of the Corporation in like manner and on like notice on the written request of two (2) or more Directors.

Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by such Director of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of

Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

The Board of Directors may require that all officers, directors, managers, trustees and employees of the Corporation handling or responsible for Corporation funds furnish adequate fidelity insurance or bonds. The premium for such insurance or bonds shall be a Corporation expense.

ARTICLE IX

The officers of the Association shall be a President, Vice-President and Secretary/Treasurer, all of whom shall be elected by the Board of Directors, and such assistant officers as the Board shall from time to time elect. The President and Vice-President must be members of the Board of Directors.

The officers of the Corporation, with the exception of the President, shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office subject to the continuing approval of the Board.

Upon an affirmative vote of a majority of the Board of Directors, any officer may be removed from office either with or without cause, and a successor elected at any regular or special meeting of the Board of Directors called for such purpose. Members of the Board may only be removed by vote of the Members as provided elsewhere in these By-Laws. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation will take effect on the date of receipt of such notice or at any later time specified in the notice, and unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective.

The President shall be the chief executive officer of the Corporation. The President shall preside at all meetings of the Corporation and of the Board of Directors. The President shall have all of the general powers and duties usually vested in the office of president of a corporation, including, but not limited to, the appointment of committees and the members to serve on such committees other than the Standing Committees, as the President, in the President's sole discretion determines are appropriate to assist in the operation of the Corporation or as may be established by the Board or by the Members of the Corporation at any regular or special meeting.

The Vice-President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or the President's inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties the Vice President is directed to perform by the President. The Vice-President shall be President of the Corporation the following term and. the Vice-President shall serve as the Chairman of the Future Planning Committee.

The Secretary/Treasurer shall: (a) keep minutes of the meetings of the Board of Directors and Members; (b) shall have charge of such Corporation books and records as the Board of Directors may direct; (c) in general, perform all the duties incident to the office of Secretary as provided in the Declaration or these By-Laws (d) compile and maintain a complete list of Members, their last known notice address and the Lot(s) owned by such Member, which list shall be open to inspection by Members and other Persons lawfully entitled to inspect the same at reasonable times during regular business hours; (e) have responsibility for Corporation funds, shall be responsible for keeping full and accurate accounts of all Corporation receipts and disbursements; and (f) shall be responsible for the deposit of all monies and other valuable effects in the name and to credit of the Corporation in such depositories as may from time to time be designated by the Board of Directors. In the event a Managing Agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the Managing Agent within fifteen (15) days after the first (1st) day of each month.

The Standing Committees shall be a Grounds Committee, an Architectural Review Committee and an Elections Committee. The Board of Directors shall name the members of the Standing Committees and shall designate a Chairman for each committee.

(a) The Grounds Committee shall: (a) obtain and review bids for grounds maintenance and make hiring recommendations to the Board; (b) be responsible for supervising the grounds maintenance contractors; and (c) be responsible for periodically organizing Members for a volunteer community workday.

(b) The Architectural Review Committee shall perform the functions required by the Declaration with respect to approval of Plans for new construction and renovations in accordance with the Architectural Guidelines promulgated by the Architectural Review Committee, as the same may be amended from time to time, which set forth the minimum acceptable standards to be complied with to preserve the overall architectural and aesthetic appearance, the natural setting and beauty of the Residential Community, to establish and preserve a harmonious design for the Residential Community and to protect and promote the monetary value of the Residential Community.

(c) The Election Committee shall supervise the nomination and election of officers.

Future Planning Committee. The Members of the Future Planning Committee shall be appointed by the President and the Vice President of the Corporation shall serve as Chairman. The Future Planning Committee shall undertake such tasks as the Board of Directors may direct.

ARTICLE X

Indemnification. The Corporation shall indemnify, through insurance commonly known as directors and officers liability insurance, every Director, officer, Managing Agent (if any), their respective successors, personal representatives and heirs, against all loss, cost and expenses,

including legal fees, reasonably incurred in connection with any action, suit or proceedings to which he may be made a party by reason of being or having been a Director, officer or Managing Agent (if any) of the Corporation, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Corporation is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty of such Director, officer or Managing Agent (if any) in relation to the matter involved.

The foregoing rights shall not be exclusive of other rights to which such Director, officer or Managing Agent (if any) may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Corporation by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Corporation as common expenses to be paid by the Members as part of the Annual Maintenance Charges.

ARTICLE XI

Amendments to By-Laws. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of a majority of the Members present in person or by proxy.

Conflicts of Documents. In the case of any conflict between the Articles and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and the Articles, the Declaration shall control.

ARTICLE XII

Proof of Ownership. Except for those Builder's who initially purchase a Lot from the Developer, any Person, on becoming an Owner of a Lot, shall furnish to the Managing Agent (if any) or the Board of Directors a true and correct copy of the original or a certified copy of the recorded document vesting that Person with an interest or ownership of a Lot, which copy shall remain in the files of the Corporation. A Member shall not be deemed to be in good standing nor shall such Owner be entitled to vote at any annual or special meeting of Members unless this requirement is first met.

Registration of Mailing Address. The Owner, whether one or more, of a Lot shall have the same mailing address to be used by the Corporation for mailing of annual statements, notices, demands and all other communications. Such address of an Owner, whether one or more, shall be furnished by such Owner(s) to the Managing Agent (if any) or Board of Directors within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the Owners of the Lot or by such Persons as are authorized by law to represent the interest of the Owner(s) thereof.

Designation of Voting Representative – Proxy. If a Lot is owned by one Person, such Owner's right to vote shall be established by the record title thereto. If title to a Lot is held by more than one Person, such Owners shall execute a proxy appointing and authorizing one (1)

Person or an alternate Person to attend all annual and special meetings of Members and there to cast whatever vote the Owner might cast if personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty (30) days after such revocation, amendment or termination, the Owners shall reappoint and authorize one (1) Person or alternate Person to attend all annual and special meetings as provided by this paragraph. The requirements herein contained in Article XIII shall be first met before an Owner of a Lot shall be deemed in good standing and entitled to vote an annual or special meeting of Members.

ARTICLE XIII

Assessments. All Members shall be obligated to pay the Annual Maintenance Charges imposed by the Corporation to meet the common expenses. The Annual Maintenance Charges imposed hereunder shall be due and payable annually in advance. The amount of such Annual Maintenance Charges may be altered in accordance with the Declaration or these Bylaws. A Member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of Members within the meaning of these By-Laws, if, and only if, all Assessments made or levied against such Owner's Lot have been paid and such Owner is not in violation of any rule or regulation of the Corporation then in effect.

Lien. The obligation of each Member to pay Assessments shall be secured by a foreclosable lien on the Lot in favor of the Corporation and such obligation shall run with the land and survive any sale thereof.

General. Each Member shall comply strictly with the provisions of the Declaration and these By-Laws and amendments thereto. Nothing in these Bylaws shall be construed as preventing an Owner from leasing a single residential dwelling to a tenant provided such tenant agrees to comply with the provisions of these Bylaws and the Declaration.

Use of Common Properties. Each Member may use the Common Properties and sidewalks located within the Residential Community in accordance with the purpose for which intended without hindering or encroaching upon the lawful rights of the other Members; provided, however, that any Member may, by a majority vote of the Board of Directors, be excluded from any or all of the Common Properties of the Residential Community for repeatedly violating the Rules and Regulations established by the Corporation regarding the use of said Common Properties. Any such exclusion shall last as long as, in the Board of Directors' sole discretion, is deemed necessary.

Article XIV

Common Properties. Every Member shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to such Lot, subject to the following provisions.

a) The right of the Corporation to limit by rule the number of guests of Members, the Common Properties which may be used by guests of Members, and the conditions under which Common Properties may be used by Members and/or their guests.

b) The right of the Corporation to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Properties.

c) The right of the Corporation, in accordance with its Articles and these By-Laws and with the assent of two-thirds (2/3) of the Members, to borrow monies for the purpose of improving the Common Properties and facilities and in aid thereof to mortgage said Common Properties or any portion thereof, and the rights of said Mortgage shall be subordinate to the rights of the Members hereunder.

d) The right of the Corporation to suspend the voting rights and right to use the recreational facilities by a Member for any period during which any assessment against such Member's Lot remains unpaid; and for a period not to exceed sixty (60) days for an infraction of its published Rules and Regulations.

e) The right of the Corporation to dedicate or transfer all or any part of the Common Properties to any public agency, public authority or utility for such purposes and subject to such conditions as may be agreed to by the Members of the Corporation; provided, however, that no such dedication or transfer shall be effective unless a document agreeing to such dedication or transfer signed by two-thirds (2/3) of the Members is filed of record in the office of the County Clerk for Canadian County, Oklahoma.

Any Member may delegate, in accordance with these By-Laws, such Member's right of enjoyment to the Common Area and facilities to the Members of his family, his tenants or contract purchasers who reside on the Lot, subject to such Rules and Regulations and limitations as the Corporation may from time to time establish. Developer has covenanted that the Developer will convey fee simple title to the Common Properties as shown by the Plats of the various sections of Sunrise Hills to the Corporation prior to the first Lot in such section being conveyed and occupied as a residence. The Corporation shall control, maintain, manage and improve the Common Properties as provided in the Declaration, the Articles and these By-Laws. Such right, power of control and management shall be exclusive. The Board of Directors may from time to time establish Rules and Regulations governing the use of the Common Properties by Members and their guests; provided, that such Rules and Regulations as from time to time adopted shall be uniform as to all Members.

ARTICLE XVI

Creation of Lien and Personal Obligation of Assessment. Each Owner of a Lot within the Residential Community, by acceptance of a deed therefor, whether so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay the Association: (a) Annual Maintenance Charges; and (b) Special Assessments for capital improvements; such assessments to be fixed, established and collected from time to time as provided in these Bylaws. The

Annual Maintenance Charges and Special Assessments, together with such interest thereon and costs of collection thereof, as provided in these Bylaws, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made, pursuant and superior to any homestead or other exemption provided by law, which lien may be enforced by the Corporation and may be foreclosed in any manner provided by the laws of the State of Oklahoma for the foreclosure of mortgages, with or without power of sale. Each Annual Maintenance Charge and Special Assessment, together with such interest, costs and reasonable attorneys' fees shall also be the personal obligation of the Owner of such Lot at the time the assessment became due. The personal obligation shall not pass to a Member's successors in title unless expressly assumed by them; but, nevertheless, the lien above mentioned arising by reason of such Annual Maintenance Charge or Special Assessment shall continue to be a charge and lien upon the land as above provided.

Purpose of Assessments. The Assessments levied by the Corporation shall be used exclusively for the purpose of promoting the health, safety and welfare of the Corporation's membership, and in particular, for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties, including, but not limited to, the maintenance of insurance thereon, repairs, replacements and additions thereto, ad valorem and other real property taxes and assessments levied thereon, for the cost of labor, equipment, materials, management and supervision thereof, and utility services for the Common Properties.

Basis and Maximum of Annual Maintenance Charge. Until May 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Maintenance Charge shall be \$50. From and after May 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum Annual Maintenance Charge may be increased effective May 1 of such year without a vote of the membership in conjunction with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July. From and after May 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above that established by the Consumer Pricing Index formula by a vote of the Members provided that, any such change shall have the assent of a majority of the Members, pursuant to votes cast in person or by proxy, at a meeting called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting out the purpose of the meeting. After consideration of current maintenance costs and future needs of the Corporation, the Board of Directors may fix the Annual Maintenance Charge at an amount in excess of the maximum provided in this Article XVI.

Special Assessments for Capital Improvements. In addition to the Annual Maintenance Charge authorized above, the Corporation 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 or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto; provided that, any such assessment shall have the assent of a

majority of the Members, pursuant to votes cast in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all Members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting; provided further, that the maximum amount of any Special Assessment which may be assessed in any assessment year shall not exceed an amount equal to twice the Annual Maintenance Charge assessed against said Members for the same year.

Uniform Rate of Assessment. Both Annual Maintenance Charges and Special Assessments must be fixed at a uniform rate for each Member and shall be collected on an annual basis.

Commencement Date of Annual Maintenance Charges. The Annual Maintenance Charges provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Properties. The first Annual Maintenance Charge shall be adjusted according to the number of months remaining in the calendar year. Within ten (10) days after a residential dwelling is initially occupied by any Person, whether by lease or otherwise, the Owner thereof shall furnish written notice of commencement of such occupancy to the Corporation. The Board of Directors shall fix the amount of the Annual Maintenance Charge against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the Annual Maintenance Charge shall be sent to every Member. The due date(s) shall be established by the Board of Directors. The Corporation shall, upon demand at any time, furnish a certificate in writing signed by an officer of the Corporation setting forth whether the Assessments on a specified Lot have been paid. A reasonable charge may be made by the Board and/or the Managing Agent, if any, if directed by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of the payment of any Assessment therein stated to have been paid.

Effect of Non-Payment of Assessments and Remedies. Any Assessment not paid when due shall be delinquent. If the Assessment is not paid within thirty (30) days after its due date, the Assessment shall bear interest at the rate of eighteen percent (18%) per annum plus a late fee of Twenty-Five Dollars (\$25.00) shall be charged, and Corporation may bring an action at law against the Member personally obligated to pay same, and/or foreclose the lien against the Lot as provided by the laws of the State of Oklahoma for the foreclosure of a Mortgage, with or without power of sale; and interest costs and reasonable attorneys' fees of such action shall be added to the amount of such Assessment. No Member may waive or otherwise escape liability for the Assessments provided herein by non-use of the Common Properties or abandonment of such Owner's Lot.

Subrogation of Lien to Mortgage. The lien of the Assessments provided for herein shall be subordinate to the lien of any first lien priority Mortgage. 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 or any proceeding in lieu of foreclosure thereto, shall extinguish the lien of such Assessments as to payment thereof which became due prior to such sale or transfer. No sale or transfer shall relieve the Owner of such Lot from liability for any Assessments thereafter becoming due or from the lien thereof.

Exempt Property. Even though subject to the Declaration, the Common Properties and all property dedicated to and accepted by a utility company shall be exempt.

ARTICLE XVII

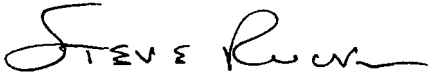
Nonprofit Corporation. The Corporation is not organized for profit. No Member of the Corporation, member of the Board of Directors or Person from whom the Corporation may receive any property or funds will receive or will be lawfully entitled to receive any pecuniary profit from the operations of the Corporation, and in no event will any part of the funds or assets of the Corporation be paid as a dividend or be distributed to or inure to the benefit of any member of the Board of Directors. Notwithstanding the foregoing: (a) reasonable compensation may be paid to any Member or Director acting as an agent or employee of the Corporation for services rendered in effecting one or more of the purposes of the Corporation; (b) any Member or Director may, from time to time, be reimbursed for actual and reasonable expenses incurred by such Director in connection with the administration of the affairs of the Corporation.

Fiscal Year. The fiscal year of the Corporation will begin on the first day of May and end on the 30th day of April every year, except that the first fiscal year shall begin on the date of incorporation.

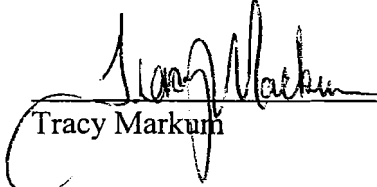
The undersigned directors have executed these Bylaws effective the 8th day of November, 2005.



Rod Coleman



Steve Rucker



Tracy Markum

CWAC

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**RESTRICTIVE COVENANTS AND BILL OF ASSURANCE OF
SUNRISE HILLS ADDITION SEC. 7,
YUKON, CANADIAN COUNTY, OKLAHOMA**

Num. Index _____

B.& P.N. Index _____

Margin _____

THIS RESTRICTIVE COVENANTS AND BILL OF ASSURANCE (the "Covenants") for Sunrise Hills Addition Sec. 7 to the City of Yukon, Canadian County, Oklahoma are made by ERC LAND DEVELOPMENT GROUP, LLC, an Arkansas limited liability company (the "Developer").

The Developer hereby imposes the following limitations, restrictions and uses on all lots contained in the subdivision know as Sunrise Hills Addition Section 7, Yukon, Canadian County, Oklahoma (the "Addition"), a replat of the final plat of which was filed of record in the Canadian County, Oklahoma on the July 9, 2002 in Plat Book 8 at Page 328. The legal description for the said Addition is more particularly described on Exhibit "A" attached hereto. These Covenants shall run with the land for the period of time hereafter set out and shall be binding upon all purchasers of lots in the Addition. These Covenants are for the benefit of and are limitations upon all future owners in the Addition and have been designated as such in order to provide for the orderly development of the Addition and for the purpose of making the Addition desirable, uniform and suitable for the uses herein specified.

These Covenants shall be binding upon all parties and all persons claiming under them through December 31, 2013, at which time they shall be automatically extended for an additional ten (10) years, unless by vote of at least two-thirds (2/3^{rds}) of the then owners of the lots in the Addition (the term "lots" being defined herein), it is agreed that these Covenants should be changed, amended or terminated in whole or in part.

It shall be lawful for the Developer, Sunrise Hills Property Owners Association, an Oklahoma nonprofit corporation (the "Association") and any other person or persons owning a lot in the Addition to initiate proceedings at law or in equity against parties or persons violating or attempting to violate any of these Covenants and to recover damages for such violations. Any rights reserved hereunder to the Developer may also be exercised by the Association and/or any owner of lots situated in the Addition, either individually or collectively. The invalidation of any one or more of these Covenants by a court order shall not invalidate any of the other provisions which shall remain in full force and effect.



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Documentary Tax \$0.00
State of Oklahoma
County of CANADIAN
CANADIAN County Clerk
PHYLLIS BLAIR

ARTICLE I

Concepts and Definitions

The following words, when used in these Covenants or any amendments or supplements thereto (unless the context shall otherwise clearly indicate or prohibit), shall have the respective concepts and meanings set forth below.

(A) "Addition" shall mean and refer to the real property described in Exhibit "A" as reflected on the plat reflected on Exhibit "A" and any additional or amendments thereto.

(B) "Association" shall mean and refer to Sunrise Hills Property Owners Association, Inc., an Oklahoma not-for-profit corporation, which will have the power, duty and responsibility for maintaining, administering and enforcing these Covenants and collecting and disbursing the assessments and charges hereafter prescribed.

(C) "Architectural Control Committee" or "Committee" shall mean and refer to the individuals selected by the Developer as well as the builder business entities selected by the Developer which enter into lot purchase agreements with the Developer. These committee members shall serve until such time as all 61 single family dwellings have been constructed and are occupied within the Addition at which time the Committee shall resign and three (3) members shall be elected by the Association at a specially called meeting held for that purpose. Each member of the Committee shall be generally familiar with residential and community development design standards within the Addition. Other matters pertaining to the government and administration of the Committee are set forth in these Covenants.

(D) "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association elected in accordance with the provisions of the by-laws of the Association.

(E) "Common Properties" shall mean and refer to any and all areas of land together with all improvements located therein within the Addition which are known, described, or designated as common areas and utility easements along the roadways on any recorded subdivision plat of the Addition or intended for or devoted to the common use and enjoyment of the members of the Association. If appropriate, the Association shall hold such title to the Common Properties as shall be consistent with the objectives envisioned herein and subject to the easement rights herein of the members to use and enjoy the common Properties. The Developer reserves the right to effect minor redesigns or reconfigurations of the Common Properties and execute any open space declarations applicable to the Common Properties.

(F) "Developer" shall mean and refer to ERC Land Development Group, LLC, an Arkansas limited liability company, and its successors and assigns.

(G) "Lot" or "lot" shall mean and refer to any plot or tract of land which is designated as a lot on Exhibit "B". No lot set forth on "Exhibit "B" may be further subdivided or split; provided, however, minor adjustments to lot lines or boundaries may be made from time to time to cure title problems or resolve problems related to encroachments so long as such adjustments are first approved by the Board.

(H) "Member" or "member" shall mean and refer to each owner of a lot.

(I) "Owner" or "owner" shall mean and refer to each and every person or business entity who or which is record owner or subsequently becomes a record owner of a fee or undivided fee interest in any lot in the Addition. If more than one person or entity owns an interest in a lot, then the voting right and membership shall be divided among the parties as they see fit.

ARTICLE II

Membership and Voting Rights in the Association

Section 1. Membership. Every owner of a lot shall automatically be and must remain a member of the Association in good standing.

Section 2. Voting Rights. The Association shall have one (1) class of membership for purposes of voting. The owner of each lot (regardless of how many persons or entities own an interest in the lot) shall be entitled to one (1) vote.

Section 3. Quorum, Notice and Voting Requirements. The quorum, notice, and voting requirements of an owner in the Association are set forth within the articles of incorporation and by-laws of the Association, as the same may be amended from time to time. Subject to the provisions of Section 2 above and any other provision to the contrary set out in these Covenants, any action by or on behalf of the Association may be taken with the assent given in writing and signed by members who collectively hold or control a majority of the outstanding votes of the Association.

ARTICLE III

Property Rights in the Common Properties

Section 1. Members' Easements of Enjoyment. Subject to the provisions of Section 3 of this Article, every member and each individual within a member's family shall have a non-exclusive right and easement of use, recreation, and enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title of each respective lot, PROVIDED, HOWEVER, such easement shall not give such person (excluding the Developer

and the Association), the right to make alterations, additions or improvements to the Common Properties.

Section 2. Title to the Common Properties. If appropriate, the Association shall hold such title to the Common Properties for an indefinite period of time, subject to the easements set forth in Section 1 of this Article as is necessary to accomplish the purposes and effects of these Covenants. The Association shall have the right to design, redesign, reconfigure, alter, improve, landscape, and maintain the Common Properties.

Section 3. Extent of Members' Easements. The rights and easements created hereby shall be subject to the following provisions.

(A) The Board shall prescribe reasonable regulations and policies governing, and to charge fees and/or deposits related to, the use, operation, and maintenance of the Common Properties and all lots.

(B) The Board, on behalf of the Association, may enter into and execute contracts with any party for the purpose of providing maintenance or such other materials or services consistent with the purposes of the Association and/or these Covenants.

(C) The Board shall suspend the voting rights of any member and suspend the right of any member to use or enjoy any of the common Properties for any period during which any assessment (including without limitation "fines") against a lot resided upon by such member remains unpaid, and otherwise for any period deemed reasonable by the Board for any infraction of the then existing rules and regulations.

(D) The Board, on behalf of the Association, may dedicate or transfer all or any part of the Common Properties to any municipal corporation, county government, political subdivision, public agency, governmental authority, or utility for such purposes and upon such conditions as may be agreed to by the Board.

ARTICLE IV

Covenants for Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Developer, for each lot owned by it within the Addition, hereby covenants and agrees, and each owner of any lot, by acceptance of a deed therefor, whether from the Developer or some subsequent grantor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree (and such covenant and agreement shall be deemed to constitute a portion of the purchase money and consideration for acquisition of the lot), to pay to the Association the following matters:

(A) Regular assessments or charges for maintenance, taxes and insurance on the Common Properties.

(B) Special group assessments for capital improvements or unusual or emergency matters, such assessments to be fixed, established, and collected by the Board from time to time as hereinafter provided.

(C) Special individual assessments levied against individual lot owners to reimburse the Association for extra costs for maintenance and repairs caused by the willful or negligent acts of the individual owner, his or her family, guests or invitees, and not caused by ordinary wear and tear.

(D) Assessments and fines levied against individual lot owners for violation of rules and regulations pertaining to the Association and/or the Common Properties.

The regular, special group, and special individual assessments, together with such late charges, interest and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon each lot against which each such assessment is made and shall also be the continuing person obligation of the then existing owner of such lot at the time when the assessment fell due.

Section 2. Purpose of Assessment. The assessments levied by the Board on behalf of the Association shall be used exclusively for the purpose of enhancing the natural environment, appearance, and beauty of the Addition and promoting the health, recreation, safety, and general welfare of the residents of the Addition.

Section 3. Basis and amount of Regular Maintenance Assessments.

(A) The regular base assessments for each of the lots shall be determined by the Board at least annually. Each lot (except with regard to special individual assessments) shall be assessed the same amount and in an equal uniform manner.

(B) The Board shall give notice to all members at least thirty (30) days in advance of the date all regular or special assessments are due. The Board may prescribe from time to time that the regular base assessments are to be collected on an annual, semi-annual, quarterly, or monthly basis, and accordingly, the Board shall prescribe the appropriate due dates. All regular base assessments shall be collected in advance. The due date or dates (if it is to be paid in installments) of any other assessments or special assessment under Section 3 and 4 hereof, shall be fixed in a resolution by the Board authorizing such assessment.

Section 4. Special Group Assessments. In addition to the regular assessments authorized by Section 3 hereof, the Board may levy in any 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 or reconstruction, unexpected repair or replacement of a capital improvement in the Addition.

Section 5. Rate of Assessments. Except as noted herein, regular and special group assessments shall be fixed at a uniform rate for all lots owned by members, unless otherwise approved by the Board. Should a special assessment be determined necessary by the Board, the rate of assessment shall be equal for all lots. The failure to pay the assessment by the owner of a lot within the required time period shall constitute a lien only against the lot assessed.

Section 6. Effect of Non-Payment of Assessment; the Personal Obligation of the Owner; the Lien; and Remedies of Association.

(A) If any assessment or fine or any part thereof is not paid on the date(s) when due, then the unpaid amount of such assessment shall be considered delinquent and shall, together with any late charge and interest thereon at the maximum rate allowed under applicable law and on the lot on the nonpaying owner which shall bind such lot in the hands of the owner and owner's heirs, executors, administrators, devisees, personal representatives, successors and assigns. The Board shall have the right to reject partial payments of an unpaid assessment and demand the full payment thereof. The personal obligation of the then-existing owner to pay such assessment, however, shall remain the owner's personal obligation and shall not pass to owner's successors in title unless expressly assumed by them. However, the lien for unpaid assessments shall be unaffected by any sale or assignment of a lot and shall continue in full force and effect. No owner may waive or otherwise escape liability for any assessment provided herein by non-use of the Common Properties or abandonment of the lot.

(B) The Board may also give written notification to the holder(s) of a mortgage on a lot of a non-paying owner of such owner's default in paying any assessment when such default has not been cured within 30 days of the original date due, provided that the Board has theretofore, been furnished in writing with the correct name and address of the holder(s) of such mortgage and a request to receive such notification.

(C) The Board may, at its election, retain the services of an attorney to review, monitor and/or collect unpaid assessments and delinquent accounts and there shall also be added to the amount of any unpaid assessment or to any delinquent account any and all attorneys' fees and other costs of collection incurred by the Association.

Section 7. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate and inferior to the lien of any bona fide first mortgage or deed of trust now or hereafter placed upon the lots subject to assessment.

ARTICLE V

**General Powers and Duties of the
Board of Directors of the Association**

Section 1. Powers and Duties. The affairs of the Association shall be conducted by its Board of Directors.

(A) The Board, for the benefit of the Association, the Addition, and the owners, may provide and may pay for, out of the assessment fund(s) provided for in Article IV above, any or all of the following:

(1) Care preservation and maintenance of the Common Properties and the furnishing and upkeep of any desired personal property and fixtures for use in or on the Common Properties;

(2) Private trash and garbage collection service, if any, which pertain to the Common Properties only;

(3) Taxes, insurance and utilities (including, without limitation, electricity, gas, water and sewer charges), if any, which pertain to the Common Properties only;

(4) The services of any person or firm (including the Developer and any affiliates of the Developer) to manage the Association or any separate portion thereof, to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Board or by a manger hired by the Board;

(5) Legal and Accounting services; and

(6) Any other materials, supplies, equipment, labor, services, maintenance, repairs, structural alterations, taxes or assessments which the Board is required to obtain or pay for pursuant to the terms of these Covenants or which in its opinion shall be necessary or proper for the operation or protection of the Association and the Addition or for the enforcement of the Covenants.

(B) The Board shall have the following additional rights, powers and duties:

(1) To execute all declarations of ownership for tax assessment purposes with regard to any of the Common Properties owned by the Association;

(2) To enter into contracts, maintain one or more bank accounts and, generally, to have all the powers necessary or incidental to the operation and management of the Association; and

(3) To make reasonable rules and regulations for the operation of the common Properties and to amend them from time to time.

Section 2. Maintenance Contracts. The Board shall have full power and authority to contract with any owner (including, without limitation, the Developer) for performance, on behalf of the Association, of services which the Association is otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable, and in the best interest of the Association.

Section 3. Liability Limitations. No member or the directors and officers of the Association shall be personally liable for debts contracted for or otherwise incurred by the Association or for any torts committed by or on behalf of the Association or otherwise. The Developer or the Association, its directors, officers, agents, or employees, shall not be liable for any incidental or consequential damages for failure to inspect any premises, improvements, or portion thereof or for failure to repair or maintain the same.

Section 4. Reserve Funds. The Board may establish reserve funds which may be maintained and accounted for separately from other funds maintained for annual operating expenses.

ARTICLE VI

Use and Division of Lots

No lot may be divided or split. The Addition (each lot situated therein) shall be constructed, developed, occupied and used as follows:

Section 1. Residential Lots. All lots within the Addition shall be used, known and described as residential lots. Only 1 single family residential dwelling consisting of not less than one thousand one hundred fifty (1,250) square feet heated and cooled finished space, and the customary and usual necessary structures may be constructed on each lot. No building or structure intended for or adopted to business purposes shall be erected, placed, permitted, or maintained on any lot. This covenant shall be construed as prohibiting the engaging in or practice of any commerce, industry, business, trade or profession within the Addition, and/or within any lot. The restriction on use herein contained shall be cumulative of, and in addition to, such restrictions on usage as may from time to time be applicable under and pursuant to the statutes, rules, regulations, and ordinances of the City of Yukon, Canadian County, Oklahoma, or any other governmental authority or political subdivision having jurisdiction over the Addition.

Section 2. Residential Purposes. By acquisition of any lot within the Addition, each owner (excluding bona fide home builders covenants with and represents to the Developer and to the Association that the lot is being specifically acquired for the specific and singular purpose of

constructing and using a single-family residential dwelling thereon or as a residence for such owner and /or owner's immediate family members.

Section 3. Minimum Square Footage. Each single family residence constructed on a lot shall contain a minimum of one thousand two hundred fifty (1,250) square feet heated and cooled finished space. The decision by the Committee regarding the computation of the amount of square footage a residence contains shall be final.

ARTICLE VII

Easements

Section 1. In General. Other than primary service in the Addition and within platted easements, there shall be no above-ground service for utilities except those lines or poles that shall be approved, in writing, by a majority vote of the Committee. The owner of each lot shall be responsible for the protection of underground facilities located on his or her lot and shall prevent any alteration of grade or construction activity which may interfere with said utility lines.

Section 2. Utility Easements. Underground service cables to all residences which may be located in the Addition shall run from the nearest service pedestal to the point of use and upon the installation of such service cable to a particular residence, the supplier of service shall thereafter be deemed to have an effective right-of-way easement covering a 5 foot strip extending 2.5 feet on each side of the service cable from the service transformer to the service entrance to the residence. This easement shall also be available to all of the suppliers of public utilities and quasi-public utilities.

Section 3. Gas Lines. For gas meters and gas lines to the structures in the Addition, all yard lines will be plastic pipe of the size and material approved by the public utility servicing the Addition and an approved tracer wire will be installed in the trench with the plastic pipe and attached to the meter eyes in accordance with the public utility specifications. No yard line will be installed under concrete or asphalt except in a casing approved by the public utility. All gas meters shall be installed within the gas line easement on the rear property line of the residence it services and may not be located in any portion of the front of the residence.

Section 4. Approval of Easements. No portion of any lot shall be used for a driveway or passageway or easement of any type to service or benefit property or owners of property adjoining Sunrise Hills unless such usage is approved by one-half (1/2) of the voting members of the Association and the Developer.

ARTICLE VIII

Architectural Control Committee - Approval of Plans, Control of Development Activities, and Set Back Requirements

Section 1. Submission of Plans. In order to maintain a beautiful and pleasing setting in the Addition, 2 sets of all building and site improvement plans and specifications must be submitted to the Committee for its approval prior to the commencement of construction. The Committee shall act to enforce the requirements of these Covenants in a reasonable manner. The Committee has the authority to maintain the architectural conformity of the Addition and, in consideration thereof, shall determine that the proposed construction shall not detract from the development and shall enhance the purpose of the development to provide a beautiful and pleasing setting in the Addition. The Committee shall consider such matters as the proposed square footage, location, materials, exterior style and landscaping. The Committee will adopt rules or by-laws explaining the mechanics of its operation and providing for a 21 day maximum time within which plans must be reviewed and approved or disapproved after submission and, if not approved or disapproved in that period, that the same shall be considered as automatically approved. The Chairman of the Committee, a representative of ERC LAND DEVELOPMENT GROUP, LLC, shall call a meeting of the Committee, giving one business day notice. A simple majority of the Committee members shall constitute a quorum and a simple majority of the Committee members in attendance may approve or disapprove any building and site improvement plans and specifications presented to the Committee.

Section 2. Diversion of Drainage. All plans or schemes for the diversion of drainage, or construction or reconfiguration of a pond or lagoon, shall be approved by the Committee.

Section 3. Garage and Detached Structures. All residences constructed in the Addition shall have a private garage to accommodate a minimum of 2 automobiles. Any detached structure to be built on a lot, such as a covered entertainment area, guest house, pool house, or other structure, shall conform to the basic styling of the dwelling and the plans for any such structures must be submitted to the Committee for approval prior to construction.

Section 4. Temporary Structures. No trailer, mobile home, tent, construction shack, or other out building shall be erected on any lot in the Addition except for temporary use by construction contractors for a reasonable period of time and only in such location and for such time as may be designated by the Committee.

Section 5. Fences. No concrete block foundation may be exposed. Plans for all fencing whether on lot lines or surrounding patios, pools or other areas of the lot must be submitted to, and approved by, the Committee prior to the construction thereof. In the approval of the fencing the Committee shall give consideration to the location, height, material conformity with neighboring areas, and the obstruction of views. No chain link fencing or metal poles will be allowed. To achieve a quality image and a pleasing setting, a wood privacy fence, six (6) foot high connecting to the back corners of the house and running along the back and side lot lines is

preferable. All fence pickets shall be installed to the outside of all fencing or finished side out. No fencing will be allowed inside of street set back requirements. Any lots which adjoin S. W. Lake Road must have finished side of any wood fence exposed to S. W. Lake Road.

Section 6. Set Back Requirements. The Committee shall have authority to establish set back lines for lots. No structure or dwelling constructed on a lot (except approved fences) shall be permitted no closer than 25 feet from the front property line. Side line set backs for interior lots shall be 5 feet from each side of the property line. Corner lots shall have the street side set back of 15 feet. The rear set back lines for each lot shall be in accordance with the provisions of the filed and recorded plat of the subdivision.

ARTICLE IX

No Offensive Trade or Activity

No obnoxious or offensive trade or activity including the discharge of firearms or fireworks shall be permitted on any lot, nor shall any activity be undertaken on any lot that shall become an annoyance or nuisance to the neighborhood. Home occupations in which customers or suppliers travel to or from a residence in the Addition are prohibited. The development of minerals of any kind or nature, is prohibited within the Addition; provided, however, underground hydrocarbon minerals may be captured by wells located outside of the Addition.

ARTICLE X

Animals

Section 1. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot in the Addition for commercial purposes. No animals, livestock, or poultry may be raised, bred, or kept on any lot for any other purpose without the approval of the Board, which approval, when granted, must be renewed in writing by the Board, within 3 years from the date of first approval. If the Board fails to approve the renewal, then the owner must remove the animals, livestock, or poultry within 30 days of the expiration of the approval.

Section 2. Notwithstanding the provision set forth in Section 1 above, dogs, cats, or other common household pets may be kept or raised on a lot, provided they are not kept, bred, or maintained for commercial purposes, and they are not obnoxious or offensive. Any pen, cage, kennel, shelter, run, track, or other building, structure, or device directly or indirectly related to animals (including dogs, cats, household pets, or otherwise) which can be seen, heard, or smelled by any other lot owner must be approved by the Committee. Violations of this provision may be brought before the Board, and, after considering the same, the Board may order the violation to cease or be remedied in some fashion. The failure to heed the Association's directive shall result

in a lien being filed against the property and the Board being able to take such other legal and/or equitable action as it deems necessary and proper.

ARTICLE XI

Motorized Recreation Vehicles

Motorized recreational vehicles including, but not limited to, motorbikes, motorcycles, scooters, mopeds, trail bikes and any other similar mechanical device emitting noise, smoke or other environmental pollutants shall not be operated within the Addition except for the sole and exclusive purpose of ingress and egress to and from lots. The roadways within the Addition shall not be used by such vehicles for recreational purposes. The purpose of this restriction is to reduce noise and other pollution so as to permit maximum enjoyment of the surroundings in the Addition. This restriction shall not apply to equipment normally used for lawn or garden maintenance so long as said equipment is operated in the ordinary and usual manner intended.

Recreation vehicles, boats, trailers, and vehicles used for recreation purposes, shall be stored to the rear of the main residential structure on each lot. Any type of vehicle that has been inoperative for a period of more than ten (10) days shall be stored in the garage or at the rear of the main residential structure so as to be obscured from public view and the view of adjacent lots.

ARTICLE XII

Signs

Unless approved in writing by the Committee, signs shall be prohibited on all lots except that 1 sign, not exceeding 6 square feet in size, advertising a particular lot for sale shall be permitted.

ARTICLE XIII

Additional Design and Construction Criteria

Section 1. Storage of Construction Materials. Construction materials may be stored on a lot within the building setback lines for 30 days prior to the commencement of construction and thereafter, construction is to be completed within a reasonable period of time.

Section 2. Garbage, Dumping. Dumping is prohibited in the Addition. All trash, garbage or other waste shall be kept in sanitary containers which shall be located at the rear of each residential unit. All lots shall be maintained in a neat and orderly condition at all times.

Section 3. Accessory Buildings. Accessory buildings can be constructed if the plans are submitted to, and approved by the Committee.

Section 4. Antenna, Aerial and Other Devices. All antenna or other types of aerial transmitting or receiving devices (including without limitation, radio or television transmitting or receiving antenna) shall be approved by the Committee. The approval of an antenna may be denied if, the sole discretion of the Committee, the antenna or other receiving device would impede the view or otherwise distract from the overall image of the Addition.

Section 5. Appearance of Lot. All owners shall be required to keep their lot in a clean and sanitary condition whether or not they have constructed a residence on the lot. All open areas on lots shall be kept mowed to a height of no more than twelve (12) inches. The Board shall promulgate rules and regulations regarding the maintenance of lots and adequate enforcement mechanisms in the event a lot is not properly maintained.

Section 6. Mailboxes. All mailboxes shall be located within 10 feet of the driveway servicing the lot.

Section 7. Exterior Walls. At least sixty-five percent (65%) of the exterior walls of any dwelling erected on any lot shall be covered in brick veneer, stone, or other comparable masonry material.

ARTICLE XIV

Miscellaneous Provisions

Section 1. Enforcement. Enforcement of these Covenants may be by any proceeding at law or in equity against any person or persons violating or attempting to violate them, whether the relief sought is an injunction or recovery of damages, or both, or enforcement of any lien created by these Covenants; but 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. With respect to any litigation hereunder, the prevailing party shall be entitled to recover reasonable attorney's fees from the non-prevailing party.

Section 2. Validity. Violation of or failure to comply with these Covenants and restrictions shall not affect the validity of any mortgage, bona fide lien or other similar security instrument which may be then existing on any lot. Invalidation of any one or more of these covenants and restrictions, or any portions thereof, by a judgment, decree, or court order shall not affect any of the other provisions or covenants herein contained, which shall remain in full force and effect. In the event any portion of these Covenants conflict with any ordinance or regulation promulgated by a governmental authority then the governmental provisions shall control.

Section 3. Headings. The headings contained in these Covenants are for reference purposes only and shall not in any way affect the meaning or interpretation the provisions set out herein. Words of any gender used herein shall be held and construed to include any other gender,

RATIFICATION

THIS RATIFICATION is executed by JIM E. WEAVER and MELVA J. WEAVER, husband and wife (the "Weavers"), and attached as an integral part of the foregoing Restrictive Covenants and Bill of Assurance for Sunrise Hills Addition Section 7 to the City of Yukon, Canadian County, Oklahoma (the "Covenants"), dated December __, 2003, executed by ERC Land Development Group, LLC, an Arkansas limited liability company. Unless otherwise defined herein, the words bearing initial capital letters are intended to have the meanings defined in the Covenants, as same may be amended from time to time.


AGREEMENTS:

In consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Weavers as the record owners of:


Lot Fifteen, Block Thirty-Five (35), Lots One (1) and Two, Block Thirty-Three (33), and Lot Twenty-Seven (27), Block Thirty-Five (35), all in SUNRISE HILLS ADDITION SEC. 7, an addition to Yukon, Canadian County, Oklahoma, according to the recorded plat thereof (the "Lots"),

hereby jointly and severally represent to and agree with the Declarant as follows: (a) The Weavers have examined and hereby consent to the Declarant's execution and recordation of the Covenants with the County Clerk of Canadian County, Oklahoma; and (b) the Weavers consent to the inclusion of the Lots in the Addition and agree that such Lots shall be subject to the Covenants and any amendments thereto.

IN WITNESS WHEREOF, the Weavers have executed this Ratification effective December 22, 2003.



JIM E. WEAVER



MELVA J. WEAVER

SUNRISE HILLS PROPERTY OWNERS ASSOCIATION (POA) RULES AND REGULATIONS

A. DOCUMENTS OF SUNRISE HILLS POA

1. **Certificate of Incorporation:** The Certificate of Incorporation was filed with the Oklahoma Secretary of State and establishes the Sunrise Hills POA. A copy of this document can be obtained by requesting it from the Office of the Secretary of State.

2. **Restrictive Covenants and Bill of Assurance (RCBA):** Sunrise Hills RCBA sets out rules that apply to Sunrise Hills Addition. A copy of this document is located on the POA website.

a. **Recording:** The RCBA of Sunrise Hills Addition, Yukon, Canadian County, Oklahoma is recorded in the County Clerk's Office of Canadian County.

b. **Obligation to Obey-Mandatory Membership:** All homeowners have committed to follow the RCBA, Bylaws and this Rules and Regulations document by the purchase of their home.

c. **Enforcement:** The Board of Directors are required to enforce the RCBA, Bylaws and Rules for Sunrise Hills' subdivision.

3. **Bylaws:** The Bylaws outline the structure of the Sunrise Hills POA and the specific rules pertaining to the organization and operation of the Board of Directors. A copy of this document is located on the POA website.

4. **Rules and Regulations:** This Sunrise Hills POA Rules and Regulations Document establishes rules and regulations, policies and procedures to govern the interpretation, application and enforcement of the Sunrise Hills RCBA, Bylaws and these Rules. A copy of this document is located on the POA website.

B. POA MEMBERSHIP

1. **Scope of the POA and Membership.** The Sunrise Hills RCBA establishes rules for the membership in the Property Owners Association. The Bylaws establish the Association responsibilities through a Board of Directors.

2. **Membership Mandatory.** All homeowners in Sunrise Hills Addition are members of and pay dues to the Sunrise Hills Property Owners Association.

3. **Sunrise Hills POA Responsibility and Board Authority.** The Sunrise Hills POA has the responsibility to protect, maintain and defend all common areas, including the park and playground equipment. The Association is responsible, through a Board of Directors, who has the authority to create, clarify, amend and enforce the use restrictions, rules, violations, dues assessments, collections, committees and design guidelines in the Sunrise Hills Rules below, for all of the Sunrise Hills subdivision.

C. BOARD OF DIRECTORS

1. **Meetings and Records.** The Board of Directors shall meet at such time and place convenient to the members to carry out its duties and responsibilities. All residents are encouraged to attend the open meetings. The Board may exclude residents when it meets in executive session. Annual meetings are held in April of each year.

2. **Board Member Duties and Responsibilities.** In an effort to foster a vibrant, responsive and competent property owners association that will provide a sense of community and responsible leadership, the officers of the Board have specific roles and responsibilities outlined in the Bylaws.

3. **Enforcement of Governing Documents.** It is the duty and requirement of the Board to enforce all of the POA documents in accordance with the guidelines provided in each.

D. POA DUES

1. **Annual Assessment Process.** Notice of normal annual dues assessment amounts shall be mailed to every homeowner on or about March 15th of each year.

2. **Due Date.** Annual dues must be paid by or before April 30th of every year.

3. **Late Fee.** Dues are delinquent if not paid at least 30 days after the due date and a late fee of \$25 shall be charged.

4. **Past Due Notice.** If the dues and late fee are not paid, past due notice will be sent. If account remains past due with no response, additional legal remedies will be pursued.

5. Proof of Payment. It is the responsibility of every homeowner to produce evidence to prove that dues were paid if in question. A returned check fee may be assessed in the amount of \$25.00 if a check is not honored.

6. Collections. Homeowners are obligated and responsible for paying lien filing and release fees and any and all attorney fees, court costs and expenses associated with the collection process for the collection of dues or fines.

7. Special Assessments. On those occasions where the budget is not adequate to support expenses either due to oversight or unexpected expenses, a special assessment may be taken. Homeowners shall be given at least thirty (30) days' notice of any special assessment due date. This notice can be in the form of a letter or statement and shall clearly explain the expense and intent of the special assessment. Notifications of this type may be delivered.

E. USE RESTRICTIONS AND PROPERTY OWNER RIGHTS.

1. Maintenance of Property. Homeowners are responsible for the maintenance and upkeep of their property at all times. Structures, equipment and other items on the externally visible portion of any lot that become rusty, dilapidated, broken, in need of painting or otherwise in disrepair must be brought to acceptable condition and maintained.

2. Homeowner Responsible. Homeowners shall be held responsible for payment of dues and fines assessed as a result of their or any of their tenants' non-compliance with any rule. Homeowners shall be responsible for the conduct of their Tenant(s) and for ensuring tenants follow the rules and regulations, use restrictions, design guidelines and all other covenants and restrictions of the Association. Both the homeowner(s) and tenant(s) shall be notified of violations.

F. DESIGN GUIDELINES

1. Architectural Control Committee ("ACC"). Any and all changes to be made to the exterior of a property (paint, roof, shutters, driveways, garage doors, fences, etc.) must be submitted to and approved by the Architectural Control Committee, the Board of Directors and the City of Yukon. There are forms on our website www.sunrisehillspoa.com that must be completed and mailed to Sunrise Hills POA, PO Box 850056, Yukon, OK 73085. Once all forms and plans have been received, along with the approval of any and all necessary permits from the City of Yukon, the ACC will review and contact homeowner regarding their submission. Any improvements or work performed without notification and approval by the Architectural Control Committee will result in fines and possible reversal of the unapproved work already performed. If homeowner is required to undo any work already performed, the cost of doing so shall fall solely upon the homeowner.

2. Painting. Finishes applied as part of any maintenance or refurbishing process must be done with materials and colors that are complimentary to and consistent with other residences in the neighborhood (i.e., a neutral color palette of white, creams, tans, grays. No colors of greens, blues, pinks, purples, yellows, reds, etc.) The homeowner must get pre-approval from the ACC prior to commencement of any such project involving the color of the property.

3. Roofs. Due to numerous variations in shingles and manufacturing styles and types, any change in style or color from the original "when-built" shingles requires pre-approval from the ACC before any construction can begin.

4. Fencing. All fences shall be maintained and kept in good condition, complete as designed and function (no warping, loose, or missing boards).

5. View From the Street. All clotheslines, air conditioner window units, equipment, storage piles, miscellaneous debris, etc. shall be located so as not to be visible from any other Lot within the neighborhood. This also pertains to items clearly visible from lots behind or beside such property when applicable.

6. General Appearance of Structures. The property owner is responsible for maintenance of structures, landscaping, and general appearance to meet the neighborhood standards stated in the Sunrise Hills Restrictive Covenants and Bill of Assurance and Rules and Regulations. This includes windows, shutters, garage doors, fencing, paint, etc.

7. **List Not Exclusive.** This list is not exclusive and may include such other guidelines or limitations as the Sunrise Hills Property Owners Association Board of Directors may add as well as such others as may be determined on a case-by-case basis.

G. HOMEOWNER OBLIGATION TO OBEY; BOARD OF DIRECTORS REQUIRED TO ADMINISTER

1. **Homeowner Obligation to Obey.** As stated in the Restrictive Covenants, Articles of Incorporation, Bylaws, Rules and Regulations, decisions and resolutions of the Association adopted pursuant thereto.

2. **Board Required to Administer and Enforce.** The Sunrise Hills POA Bylaws requires the Board of Directors to administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the governing documents to enhance the enjoyment of the resident who lives there and for the express purpose of maintaining property values for all members.

H. PROHIBITED CONDITIONS listed below are prohibited anywhere within the Sunrise Hills Neighborhood. The list is not exclusive. Any condition that can cause harm or damage to any of the natural surroundings, regardless of whether specifically stated is prohibited.

1. **Refuse Storage, Growth, Lawns, Landscaping, and Flowerbeds.** The storage of any trash or other refuse, except in normal receptacles, is prohibited. Weeds, underbrush, or other unsightly growths shall not be permitted to grow or remain on the property. Lawns and shrubbery shall be kept mowed and trimmed.

a. **Landscaping Overall.** To further clarify, as a visual rule of thumb, homeowners' yards and flowerbeds shall be compared to the Sunrise Hills' common areas in and around the park and entrances under normal situations.

b. **Lawns, Shrubs, Trees and Flowerbeds Specifically.** Every Sunrise Hills' homeowner and/or tenant shall keep their flowerbeds free of weeds and grass year round; lawns mowed, weed-free and edged consistently during the mowing season. Bushes shall be live, trimmed and shaped. Trees shall be live, trimmed and cut back to enhance the property. Overgrown shrubs and trees that cover over the front of houses or that extend outside of their intended area shall not be tolerated. These rules apply to back yards as well, in order to keep properties free of bugs and rodents.

c. **Front Lawn Clutter.** The front lawns of homeowners' property, including the driveway, as well as all easements, streets, and common property shall be free of clutter (including, but not limited to, toys, tools, empty and/or broken planters, landscaping tools, etc.).

d. **Artificial Vegetation.** No artificial grass, trees, plants or flowers shall be placed or maintained in such a manner that it may be seen from outside the lot.

2. **Restricted Vehicle Parking and Storage.**

a. **Vehicle Storage.** No trucks larger than 1 ton, trailers, campers, recreational vehicles, motor homes or large commercial vehicles, nor any vehicle in the process of being repaired or otherwise presently inoperable, shall be stored or parked with the subject lands.

b. **Parking in the Street.** Due to people unnecessarily parking in the street, it is becoming a safety hazard for vehicles navigating through our neighborhood and to children playing and riding their bikes. Henceforth, the parking of any vehicle on any street or Lot, other than a concrete driveway or inside a garage, is strongly discouraged. If unsafe situations exist, they will be referred to the City of Yukon. Exceptions to this rule may be granted if requested in advance by the Board's discretion.

c. **Recreational Vehicles.** Boats, sleeper campers, and/or any/all recreational vehicles may be parked on a lot for short periods (10 days) for clean-up and prepping before and after a trip. These types of vehicles may also be stored permanently on a lot only if they are parked behind the front building line behind a solid fence. In all cases, these types of vehicles shall not be visible in any other way.

I. PROHIBITED ACTIVITIES listed below are prohibited anywhere within the Sunrise Hills Neighborhood. The list is not exclusive. Any activity that can cause harm or damage to any of the natural surroundings, regardless of whether specifically stated is prohibited.

1. **Loud Noises.** The use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device that is of such a volume that it disturbs the peace of the Sunrise Hills neighborhood is prohibited.

Barking dogs may violate this provision if they unreasonably disturb the peace and quiet of the neighborhood, as in accordance with the City of Yukon ordinance.

2. Fireworks. Use and discharge of fireworks/firecrackers is strictly prohibited and is also a violation of the City of Yukon ordinances.

3. Fire Arms. Discharge of any fire arm, including air rifles and pistols such as pellet or BB guns, is strictly prohibited and is a violation of the City of Yukon ordinances. Violations should be reported to the Yukon police.

4. Vandalism. An individual caught and convicted of vandalism to any common areas within the boundaries of the Sunrise Hills Neighborhood property will have a \$200.00 fine assessed upon the responsible homeowner(s) and/or tenant(s); and will have to replace or repair the damaged property to its original state. This is above any civil actions.

J. THE RULES ENFORCEMENT PROCESS

1. General Violations.

a. Purpose. As members of the Sunrise Hills Community, we all want to see that the neighborhood is kept in an attractive and well maintained condition. This is why there are Covenants and Restrictions, Bylaws and Rules and Regulations for our area that we have all agreed to by making our home here. The purpose of these rules is to enhance the enjoyment of the residents who live here and to maximize our property values.

b. Board Duty. To ensure that these Rules are followed, the Board of Directors has been given the responsibility to enforce them. It may levy fines, make special assessments and take other actions against violations of these rules.

c. Procedures. Enforcement procedures include giving notice to a resident of a violation. The first notice will be in the form of a letter citing the actual rule or covenant being violated. If the violation continues for the same offense, a second notice shall be sent and shall include notification of impending fine to be assessed. If violation is not corrected within specified time of second notice, a third and final notice shall be sent certified mail and shall include a fine against either or both the homeowner and/or the tenant or other action taken by the Sunrise Hills Board of Directors.

2. Two Types of Violations.

a. Prohibited Conditions. Violations regarding a prohibited condition include those violations that require the correction of a condition by the resident to come into compliance. These violations include, but are not limited to, violations of the Architectural Design Guidelines, unkempt landscaping or structures, debris, etc.

b. Prohibited Activities. A prohibited activity includes those violations that require an activity to cease immediately such as excessive noise. These violations are each treated separately and consequences occur for each time the violation is verified and cited. Notification of the violation will be repeated with each occurrence.

3. Fine Schedule.

Provisions for a Fine Schedule are set forth in the Restrictive Covenants and Bill of Assurance of Sunrise Hills Article IV.

All fines that are imposed will coincide with suspension of voting rights and use of common areas until Board deems member and or lot compliant.

All fines and reimbursements will be assigned to the lot. The balance owed will be due at the beginning of the following month.

Failure to remedy a prohibited condition or activity upon Notice from the Board of Directors will result in an immediate fine of \$50. If that activity or condition is still not remedied, an additional fine of \$100.00 per week will be assessed until remedied up to \$450.00. Once a fine of \$450.00 is reached, a lien will be filed against the homeowner's property.

If there is a repeat violation at same address within two (2) months, the first warning will be three (3) days to remedy and a \$150 fine. The second warning will be an immediate \$300 fine. If still not remedied and fines not paid when due, a lien against property will be filed. Fines can be in succession. The Board of Directors has full discretion.

A prohibited condition involving any improvements to or work performed on the exterior of your home without notification and approval by the Architectural Control Committee, the Board of Directors and the City of Yukon will result in a \$1,000 fine and possible reversal of the unapproved work already performed. If homeowner is required to undo or redo any work already performed, the cost of doing so shall fall solely upon the homeowner.

All fines assessed will be due at the beginning of the following month and mailed to Sunrise Hills POA, PO Box 850056, Yukon, OK 73085. If payment in full is not received by the 1st of the following month, a lien will be filed against your property.

All fines are subject to late charges and interest at the maximum rate allowed under applicable law. These fines are subject to change and may not represent every instance or limitation. The Sunrise Hills Property Owners Association Board of Directors and Architectural Control Committee may from time to time have to determine other fines on a case-by-case basis.

Thank you so much

Respectfully

Sunrise Hills POA Board of Directors

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