

**DECLARATION OF ESTABLISHMENT OF HOMEOWNERS ASSOCIATION
OF STERLING CANYON ADDITION
AND BY-LAWS**

THIS DECLARATION dated 31 day of March, 2005 by **Methvin Enterprises, Inc.**, an Oklahoma corporation having a ailing address of 5525 S.E. 104th Street, Oklahoma City, OK 73165 [Declarant].

RECITALS

- A. Declarant is owner of the land platted as STERLING CANYON ADDITION and recorded in Plat Book 20 at Page 123 [the Plat] in the office of the County Clerk of Cleveland County.
- B. The Plat is subject to the "Declaration of the Covenants, Conditions and Restrictions for Sterling Canyon Addition," [The Covenants J recorded at Book 3972 Page 1328 in the office of the County Clerk of Cleveland County.
- C. Declarant desires to submit the land and improvements constructed thereon to Oklahoma's Real Estate Development Act (60 O.S. 2001 §851-857) and to form an owners association for the purpose of distributing among the Lot Owners the cost of maintaining and operating the Common Areas (and improvements thereon) within the Plat and for the purpose of providing for enforcement of the covenant, conditions and restrictions herein as well as the Covenants recorded at Book 3972 Page 1328 in the office of the County Clerk of Cleveland County.
- D. Declarant hereby declares that each Lot within the Plat shall be held, sold, and conveyed subject to the covenants, conditions, and restrictions set forth below.

**ARTICLE 1
DEFINITIONS**

- 1.1 **Declarant** shall mean Methvin Enterprises Inc., an Oklahoma corporation, and its successors and assigns.
- 1.2 **The Plat** shall mean the plat of Sterling Canyon Addition as recorded in Plat Book 20 at Page 123 in the office of the Cleveland County Clerk.

Return to
METHVIN ENTERPRISES INC
6400 DESIRABLE DR
NORMAN OK
73071

1.3 **The Covenants** means "Declaration of the Covenants, Conditions and Restrictions for Sterling Canyon Addition," recorded at Book 3972 Page 1328 in the office of the County Clerk of Cleveland County

1.4 **Association** shall mean the Sterling Canyon Homeowners Association, an Oklahoma not for profit corporation, its successors and assigns, the By-laws of which shall govern the administration of the Association and the Members of which shall be all the owners of Lots within the plat of Sterling Canyon Addition.

1.5 **Board of Directors or Board** shall mean the Board of Directors of the Association as selected pursuant to the provisions of the By-laws.

1.6 **Common Areas** refers to all real and personal property intended to be devoted to the common use and enjoyment of the owners of Lots, including without limitation, those areas of land, designated on the Plat as common area, landscape easement and/or landscaped arterial right-of-way abutting the Plat, recreational facilities, entry features, signage, landscaped medians, wetlands, walking or bicycling trails. "Common Area" is deemed to include all areas shown as "private drainage easement" on the Plat with the exception of the private drainage easement for the lake located on the north side of Lots 18 to 23, Block 5, the north side of Lots 48, 40 and 39, Block 4, and located on the south side of Lots 1, 9 through 15, Block 5. Said private drainage easement for the lake is not Common Area.

1.7 **Lot Owner or Owner** means the person, legal entity or combination thereof, including contract sellers holding the record fees simple title to a Lot in the Plat, as the Lot is now or may from time to time hereafter be created or established. If more than one person, or other legal entity or any combination thereof, holds the record title to any Lot, all of them shall be deemed a single record owner and shall be a single member of the Association by virtue of their ownership of the Lot.

1.8 **Declaration** means this instrument, by which the Property is submitted to the provisions of 60 O.S. 2001 §851-857, together with such amendment to this instrument as may hereafter from time to time be lawfully made.

ARTICLE II MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION

2.1 **Membership** Every Owner of a Lot shall be a member of the Association. Membership shall be appurtenant to and may not be separated from the ownership of the Lot.

2.2 **Classes** The Association shall have two classes of voting membership:

Class A: Except for Declarant, the Class A Members shall be all of the Owners of the Lots. Each Class A Member shall be entitled to one (1) vote per Lot, for each Lot owned by it, in all proceedings in which action shall be taken by members of the Association. If more than one person, or other legal entity or any combination thereof, holds the record

title to any Lot, all of them shall be deemed a single record owner and shall be a single member of the Association by virtue of their ownership of the Lot.

Class B The Class B Member shall be the Declarant. The Class B Member shall be entitled to ten (10) votes per Lot for each Lot owned by it, in all proceedings in which action shall be taken by members of the Association.

2.3 **Proxies** At all meetings of members, each voting member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. A proxy shall be revocable until it is cast.

ARTICLE III COVENANT FOR ASSESSMENT

3.1 **Creation of the lien and personal obligation of assessments** Each Owner of any Lot by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association annual assessments or charges, and such assessments to be established and collected as hereinafter provided. The annual assessment, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each assessment is made. Each such assessment, together with the interest, costs and reasonable attorney's fees 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.

3.2 **Purpose of assessments** The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the properties and in particular for the improvement, operation, maintenance, repair and care of the Common Areas, including, but not limited to the payment of taxes and insurance thereon. Assessments shall be used for (a) expenses of administration, maintenance, repair or replacement of the Common Areas to the extent such expenses are to be borne by the Association under the terms of this Declaration; (b) expenses agreed upon as common by all Lot Owners acting through the Association; and (c) expenses declared common by the provisions of the Declaration or by the Bylaws in force as of date hereof or as they may be later amended.

3.3 **Uniform rate of assessment** Annual assessments must be fixed at a uniform rate per Lot per class membership. The initial maximum annual assessment shall be as follows:

Class A Member	Two Hundred Dollars (\$200.00)
Class B Member	No Dollars (\$0.00)

3.4 **Determination of amount of assessment** 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.

3.5 **Increase in assessment** For each year following the first annual assessment, the maximum permissible annual assessment may be increased not more than ten percent above the maximum assessment without the necessity of a vote of the membership of the Association. Said maximum annual assessment may be increased above the ten percent limitation only by 51% of the total votes of the Members of the Association (i.e. sum of the votes of Class A members and the votes of Class B members), voting in person or proxy, at a meeting called for such purpose. Written notice of a meeting to increase the annual assessment, setting out the purpose of the meeting, must be sent to all members not less than ten days nor more than forty days in advance of the meeting.

3.6 **Date of commencement of first annual assessment** The first annual assessment provided for herein shall commence within 60 days of the date of the first annual meeting of the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year.

3.7 **Due dates** The annual assessments for any year after the first year shall be on a calendar year basis and become due and payable on the first day of April of that year.

3.8 **Date of commencement of annual assessment for a Class A Member Lot:** For a Class A Member Lot, the annual assessment shall begin the month following issuance of the first occupancy certificate for that Lot.

3.9 **At no time shall a Class B member pay any assessments.**

3.10 **Certificate of payment** The Association shall, upon request, and within a reasonable time, furnish a Certificate signed by an Officer of the Association setting forth whether all assessments on a specified lot have been paid and if not fully paid, how much on each lot is due but unpaid or due and delinquent. No charge shall be made for such certificate.

3.11 **Unpaid assessments** Any assessment not paid within thirty days after the due date shall bear interest from the due date at a rate of two percent per month on unpaid balances (not to exceed any applicable law restricting such interest rate) in addition to any expenses of the Association incurred for extra paperwork or collection procedures involved, including the collections of any attorney fees relating thereto. The Association may bring an action at law against the owner personally obligated to pay the same and/or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided herein. All owners agree that any such action may be brought in the name of the Association as the real party in interest without each member of the Association being specifically joined therein as Plaintiff or Defendant.

3.12 **Lien for assessment** The lien of the assessments provided for herein shall be subordinate to any mortgage or deed of trust hereafter placed upon the Lot subject to assessment. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceedings in lieu thereof, shall only extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. Such sale or transfer shall not relieve the Lot from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment.

ARTICLE IV
COMMON AREAS

4.1 **Rights of Lot Owner** Each Owner, in common with all other Owners, shall have the right and privilege to use and enjoy the Common Areas for the purposes for which the same were designed. This right and privilege shall be appurtenant to and pass with title to the Lot. Each Lot Owner shall have a non-exclusive easement of access to, use and enjoyment of, and ingress and egress through the Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot.

4.2 **Permitted improvements** The Common Areas shall be deemed facilities for the use, benefit and enjoyment, in common, of each Owner. Except as otherwise permitted by the provisions of this Declaration or the Covenants, no structure or improvement of any kind shall be erected, placed or maintained on any Common Area except: (a) structures or improvements designed exclusively for community use, including, without limiting the generality of the foregoing, shelters, benches, chairs, or other seating facilities, fences and walls, walkways, roadways, playground equipment, and (b) drainage, storm water, and utility systems and structures. The Common Areas may be graded, and trees, shrubs or other plants may be placed and maintained thereon for the use, comfort, and enjoyment of the Owners or the establishment, retention or preservation of the natural growth or topography of the Common Areas, or for aesthetic reasons.

4.3 **Exclusive use prohibited** No portion of any Common Area may be used exclusively by any Lot Owner for personal gardens, storage facilities or other private uses.

4.4 **Duty to maintain** The Association shall maintain or cause the Common Areas and the landscaping, improvements, facilities, and structures thereof to be maintained and kept in a good state of repair, and acquire for the Association and pay from assessments for such services, equipment, maintenance, and repair as it may determine are necessary. The Association's duty to maintain the Common Area shall commence 60 days after the first annual meeting of the Association.

4.6 **Enforcement** The right of each Owner to use the Common Areas shall be subject to the terms, conditions and provisions as set forth in this Declaration and to any rule, or regulation now or hereafter adopted by the Association for the safety, care, maintenance, good order and cleanliness of the Common Areas. All such terms, conditions, provisions, rules and regulations shall inure to the benefit of and be enforceable by the Association and Declarant or either of them, against any Owner or any other person, violating or attempting to violate same, either by an action at law for damage or a suit in equity to enjoin a breach or violation, or to enforce performance of any term, condition, provision, rule or regulation. Further, each Lot Owner shall be entitled to enforce the provisions of The Covenants and/or this Declaration to the extent authorized and permitted by 60 O.S. 2001 §§856.

ARTICLE V
BY-LAWS OF ASSOCIATION

Section 1

5.1 **Name** The Name of the Association is Sterling Canyon Homeowners Association, Inc., a not for profit Oklahoma corporation. [Association]

Section 2
Definitions

5.2.1 The terms "Association" "Common Area" "Lots" "Lot Owner" and "Property" as used in these Bylaws shall have the meanings as set forth in the Declaration of Covenants, Conditions and Restrictions relating to the Sterling Canyon Addition dated March 24, 2005 and recorded in Book 3972 Page 1328 in the office of the County Clerk of Cleveland County [The Covenants] and as set forth in "Declaration of Establishment of Homeowners Association of Sterling Canyon Addition and By-Laws" herein [The Declaration].

5.2.2 "Member" means those persons or entities entitled to membership in this Association as provided in the Declaration

5.2.3 "Charter Director" shall be the Declarant.

Section 3
Meeting of Members

5.3.1 **First annual meeting** The first annual meeting of the members shall be held within 90 days after 80% of the Lots are no longer owned by Declarant.

5.3.2 **Annual meetings** Each subsequent meeting of the Members shall be in the same month of each year thereafter, at a date, time and place within Cleveland County selected by the Board of Directors of the Association.

5.3.3 **Special meetings** Special meetings of the Members may be called at any time by the president or by the Board of Directors or upon written request of eight Lot Owners.

5.3.4 **Notice of meetings** Written notice of each meeting of the Members shall be hand-delivered and/or mailed, postage prepaid, not less than ten days nor more than 40 days before the meeting, to each Member addressed to the Member address last appearing on the books of the Association or supplied in writing by the Member to the Association. The notice shall specify the place, day and hour of the meeting. In the case of a special meeting, the notice shall state the purpose of the meeting.

5.3.5 **Quorum** To have a quorum, there must be present at the meeting, in person and/or by proxy 51% of the total votes of the Membership (i.e. sum of the votes of Class A members and the votes of Class B members). Fifty-one percent of the total votes of the Membership shall

constitute a quorum for any action except as otherwise provided in the Declaration or these By-Laws. If, however such quorum shall not be present or represented, the meeting may be adjourned, and a second meeting may be held within 30 days upon giving Notice as required by these By-Laws. If the second meeting is held within 30 days of the adjourned meeting, 30 percent of the total votes of the Membership shall constitute a quorum for that meeting only.

*Section 4
Board of Directors*

5.4.1 **Charter Director** The Declarant shall be the Charter Director, who shall serve for the period until the first annual meeting of the Association, at which the successor Directors shall be elected and the three member Board of Directors shall be created.

5.4.2 **Number** The affairs of this Association shall be managed by a three member Board of Directors who must be Members of the Association.

5.4.3 **Election** Election to the Board of Directors shall be by written ballot. At the election the Members or their proxies may cast in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected as Directors.

5.4.4 **Tenn of office** The terms of each Director other than the Charter Director shall be for one year. Each Director, other than the Charter Director shall be elected at the annual meeting.

5.4.5 **Unexpired term** In the event of the death, resignation or removal of a Director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired terms of his predecessor.

5.4.6 **Compensation** No Director shall receive compensation for any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

*Article 5
Meetings of Directors*

5.5.1 **Regular meetings** Regular meetings of the Board of Directors shall be held at least annually at such place and hour as may be fixed from time to time by resolution of the Board. Notice of the Board meeting shall be given to each Director at least ten days before the date of the meeting, unless specifically waived.

5.5.2 **Special meetin** Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two Directors. Any and all business may be transacted at a special meeting. Each call for a special meeting shall be in writing, and signed by the person or persons making the same request. The request must be addressed and delivered to the Secretary, and shall state the time and place of such meeting. Notice of a special meeting of

the Board shall be given at least ten days before the date of the meeting, unless specifically waived.

5.5.3 **Quorum** Two Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by two Directors at duly held meeting at which a quorum is present shall be regarded as an act of the Board.

*Article 6
Powers and Duties of the Board of Directors*

5.6.1 **Power to adopt rules** The Board of Directors shall have the power to adopt and publish rules and regulations governing the use of the Common Areas including any improvements and amenities located thereon, and the personal conduct of the Members and the guests thereon and to establish penalties for the infraction thereof.

5.6.2 **Power to enforce covenants, conditions, and restrictions** The Board of Directors shall have the power to enforce those certain Covenants, Conditions and Restrictions for Sterling Canyon Addition recorded at Book 3972 Page 1328 in the office of the County Clerk of Cleveland County and the provisions of the Declaration herein. Should a violation of said Covenants and/or this Declaration be known to the Board of Directors, the Board shall send written notice by certified mail to the relevant Lot Owner(s). Said written notice shall describe the violation and provide a reasonable deadline for cure of the violation. Should the Lot Owner(s) fail to cure the violation as requested, the Board of Directors may seek relief as allowed by law.

5.6.3 **Power to suspend rights for nonpayment** The Board of Directors shall have the power to suspend the voting rights and the right of use of any recreational facility located on any Common Area during any period in which the Member is in default in the payment of any assessment levied by the Association.

5.6.4 **Power to act on behalf of Association** The Board of Directors shall have the power to exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the Members by other provisions of these Bylaws or the Declaration.

5.6.5 **Power to employ** The Board of Directors shall have the power to employ a manager, independent contractors or other employees or contractors as they deem necessary, and to prescribe their duties.

5.6.6 **Duty to keep records** It is the duty of the Board of Directors to keep a complete record of all its acts and of the proceedings of its meetings, and to present a full statement at the regular meetings of the members, showing in detail the condition of the affairs of the Association.

5.6.7 **Duty to supervise** It is the duty of the Board of Directors to supervise all officers agents and employees of the Association and to see that their duties are properly performed.

5.6.8 **Duty to set and collect assessment** As more fully provided in the assessment, it is the duty of the Board of Directors to (a) fix the amount of the annual assessment and/or any special assessment (b) send written notice of each assessment to every Lot Owner subject thereto no later than thirty days in advance of its due date; (c) receive such assessments; (d) enforce the collection of unpaid assessments by legal proceedings if necessary.

5.6.9 **Duty to maintain Common Areas** It is the duty of the Board of Directors to control, maintain, manage and improve the Common Areas, including landscaped arterial right-of-way abutting the Plat, as determined reasonable and necessary to preserve and protect said Common Areas.

*Article 7
Officers and their duties*

5.7.1 **Officers** The officers of this Association shall be a President and Vice-President, who at all times shall be Members of the Board of Directors, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

5.7.2 **Election of Officers** The election of officers shall take place at the first meeting of the Board of Directors and thereafter at the first meeting of the Board of Directors following each annual meeting of the members.

5.7.3 **Term** The officers of this Association shall be elected annually by the Board and each shall hold office for one year unless such officer shall sooner resign, or shall be removed or otherwise disqualified to serve.

5.7.4 **Vacancies** A vacancy in any office may be filled by appointment by the Board of Directors. The officer appointed to the vacancy shall serve for the remainder of the unexpired term.

5.7.5 **Multiple offices** Not more than two offices may be held by the same person. The offices of President and Vice President or President and Secretary may not be held by the same person. The President and Vice President shall be members of the Board of Directors.

5.7.6 **Duties of President** The President shall preside at all meetings of the Members and of the Board of Directors and see that the orders and resolutions of the Board are carried out. The President shall have authority to sign all leases, mortgages, deeds, and other written instruments.

5.7.7 **Duties of Vice President** The Vice President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and exercise and discharge such other duties as may be required of him by the Board. The Vice President shall likewise have authority to sign all leases, mortgages, deeds, and other written instruments.

5.7.8 **Duties of Secretary** The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the

Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, attest and affix the seal of the association to all leases, mortgages, deeds and other written instruments ; and perform such other duties as required by the Board.

5.7.9 **Duties of Treasurer** The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and disburse these funds as directed by resolution of the Board of Directors; keep proper books of account; cause an annual audit of the Association books to be made at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the Members at its regular annual meeting; and deliver a copy of each to the Members requesting same. '

ARTICLE VI
AMENDMENTS

6.0 **Amendments** This Declaration and By-laws may be amended, at a regular or special meeting of the Association by written ballot (in person or by proxy) representing 75% of the total votes of the Membership (i.e. the sum of the votes of Class A members and the votes of Class B members).

IN WITNESS THEREOF, the undersigned owner has caused this instrument to be executed and acknowledged as of the date set forth above.

METHVIN ENTERPRISES, INC, an
Oklahoma corporation
Declarant

By: 
Jerl Methvin, President

ACKNOWLEDGEMENT

STATE OF OKLAHOMA)
COUNTY OF Cleveland)


SS

The foregoing instrument was acknowledged before me this 31 day of March, 2005 by Jerl Methvin as President of Methvin Enterprises, Inc., an Oklahoma corporation, by and on behalf of said corporation.

My Commission Expires:
12/4/08

My Commission Number:
04628980




Notary Public