

DECLARATION OF RESTRICTIONS, COVENANTS
AND CONDITIONS
BLUE MOUND ESTATES ADDITION TO THE
COUNTY OF WASHINGTON, STATE OF OKLAHOMA

STATE OF OKLAHOMA)
) ss.
COUNTY OF WASHINGTON)

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, J & J Land, L.L.C., an Oklahoma limited liability company (hereinafter referred to as "Declarant"), is the owner of the real estate situated in Washington County, State of Oklahoma, described on Exhibit "A" attached hereto and made a part hereof, which real estate is included and embraced in Blue Mound Estates Addition to Washington County, State of Oklahoma, now platted into tracts, streets and easements as reflected by that certain Plat recorded in the Office of the County Clerk of Washington County, Oklahoma, on the 7 day of May, 2007, in Plat Envelope No. #627, and

WHEREAS, the Declarant intends to convey, and will convey, the above described property subject to those restrictions, covenants, conditions, easements, liens and charges hereinafter set forth;

NOW, THEREFORE, it is hereby declared that all of the above described property shall be held, sold and conveyed subject to the following easements, covenants, conditions, restrictions, liens and charges, which are for the purpose of protecting the value and desirability of said property, and which shall run with the land and be binding upon any and all persons having any right, title or interest in or to the above described property or any part thereof, and their heirs, personal representatives, successors and assigns, and which shall inure to the benefit of each owner thereof.

ARTICLE ONE - DEFINITIONS

1. Association. "Association" shall mean and refer to The Blue Mound Estates Homeowners' Association, Inc., an Oklahoma not for profit corporation, and its successors and assigns.

2. Common Areas. "Common Areas" shall mean and refer to all property, if any, owned by the Association and all easements reserved for the benefit of or granted to the Association for the common use and benefit of its members, including, but not limited to, streets and ingress and egress

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easements which have not been accepted by appropriate governmental entities for maintenance.

3. Declarant. "Declarant" shall mean and refer to J & J Land, L.L.C., an Oklahoma limited liability company, and its successors and assigns.

4. Tract. "Tract" shall mean and refer to any of the plots of land shown on the Plat of Blue Mound Estates Addition to Washington County, State of Oklahoma, on which there will be built a residential dwelling.

5. Member. "Member" shall mean and refer to every person or entity who holds membership in the Association.

6. Owner. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Tract or portion of a Tract on which there is or will be built a detached single-family residence, including contract purchasers. Unless the context otherwise requires, the Declarant, J & J Land, L.L.C., shall not be included within the term "Owner".

7. Subdivision. "Subdivision" shall mean and refer to Blue Mound Estates Addition to Washington County, State of Oklahoma, according to the Plat thereof recorded in Plat Envelope _____ in the Office of the County Clerk of Washington County, Oklahoma (the "Plat").

ARTICLE TWO - PURPOSE

The Subdivision is hereby encumbered by the covenants, conditions, and restrictions hereinafter set forth to insure the best and highest use and the most appropriate development and improvement of each Tract within the Subdivision for residential purposes; to protect the Owners of Tracts against the improper use of surrounding Tracts; to preserve, so far as practicable, the natural beauty of the Subdivision; to guard against the erection of poorly designed or poorly proportioned structures of improper or unsuitable materials; to encourage and secure the erection of attractive, appropriately located improvements on each Tract; to prevent haphazard and inharmonious improvement of the Tracts; to secure and maintain the proper use of easements within the Subdivision; to preserve the lines of sight and view from the Tracts and the Properties; and, in general, to provide for development of the highest quality to enhance the value of the investment made by Owners in purchasing Tracts in the Subdivision.

ARTICLE THREE - BLUE MOUND ESTATES HOMEOWNERS'
ASSOCIATION, INC.

1. Creation. The Association shall be incorporated as an Oklahoma not for profit corporation and shall be established as a homeowners' association pursuant to Section 851 et seq. of Title 60 of the Oklahoma Statutes (the "Act"). The Association shall be formed for the purposes, charged with the duties and vested with the powers and privileges prescribed by the Act or as set forth in the Certificate of Incorporation and By-Laws thereof. Neither the Certificate nor the By-Laws of the Association shall, for any reason, be inconsistent with the provisions of this Declaration. In the event of inconsistency between this Declaration and the Certificate of Incorporation and/or By-Laws of the Association, the terms of this Declaration shall be controlling.

2. Membership.

(a) Every Owner (including the Declarant) of a Tract within the Subdivision shall automatically become a member of the Association.

(b) Membership shall be appurtenant to and shall not be separated from Tract ownership. Membership shall be in accordance with the Articles and By-Laws of the Association.

3. Voting Rights.

(a) Each Tract shall be entitled to one (1) vote on all matters subject to voting approval of the Members of such Association; provided, however, that in the event of the re-subdivision of any Tract, the number of votes to which such Tract is entitled shall be increased as necessary to retain the ratio of one (1) vote for each Tract resulting from such re-subdivision. No re-subdivision shall be effective, for purposes of these Restrictions, unless the same is approved by the appropriate governmental entity. In the event of the consolidation of two (2) or more Tracts for purposes of construction of a single residence thereon, voting rights shall continue to be determined according to the number of original Tracts contained in such consolidated Tract.

(b) When more than one person or entity holds an interest in any Tract, all such persons or entities shall be Members. The vote for such Tract may be exercised as the owners thereof mutually agree, but in no event shall the vote

for such Tract exceed the total share vote to which each Tract is entitled as herein provided.

(c) Any Member in default in the payment of any assessment or the performance of any obligation imposed by this Declaration shall not be entitled to vote at any meeting of the Association as long as such default remains in existence.

ARTICLE FOUR - ASSESSMENTS

1. Assessments Established. Each Owner of any Tract in the Subdivision, by acceptance of a deed and/or contract for deed therefor, whether or not it shall be so expressed in such deed and/or contract, is deemed to covenant and agree to pay to the Association: (a) monthly or annual assessments or charges, (b) special assessments for capital improvements, and (c) any additional assessments which may be levied as the result of any maintenance expense incurred by the Association pursuant to Article Eight of this Declaration. Such assessments shall be established and collected as hereinafter provided.

2. Purposes of Monthly or Annual Assessments. The regular monthly or annual assessments levied by the Association shall be used exclusively to maintain, preserve and operate the Association's Common Areas for the benefit of its Members. Such purposes shall include, but not be limited to, providing utility services to Common Areas, paying ad valorem taxes, if any, on Common Areas, providing for the maintenance of streets and roads which have been completed but not accepted by the appropriate governmental entity for maintenance, maintaining and preserving Common Areas, and creating reasonable reserves for the future maintenance, preservation and operation of Common Areas.

3. Amount of Monthly or Annual Assessments. The Declarant shall establish an initial budget for the Association; thereafter, the Association shall make a reasonable effort to establish a budget on or before December 1st of each year for the following calendar year. Such budget shall include an estimate of all expenses and reserves for which such Association shall be responsible. The total estimated budget shall be prorated among the Members of such Association by way of monthly or annual assessments in accordance with the provisions of this Declaration.

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4. Special Assessments for Capital Improvements. In addition to monthly or annual assessments, the Association may levy, in any calendar year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto; provided, however, that any such assessment shall be required to have the assent of two-thirds (2/3rds) of all votes cast, in person or by proxy, at a meeting duly called for that purpose.

5. Notice and Quorum. Written notice of any meeting called for the purpose of taking any action authorized under the preceding Paragraph 4 of this Article shall be sent to all Members of the Association who would be affected by such special assessment, not less than fifteen (15) days nor more than fifty (50) days in advance of the meeting. The presence of Members entitled to cast thirty percent (30%) of all of the votes of the Members who would be affected by such special assessment, or their proxies, shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice and quorum requirements.

6. Uniform Basis of Assessments. Both regular and special assessments shall be fixed at a uniform basis for all Tracts subject thereto in accordance with Paragraph 11 hereof and may be collected on a monthly or annual basis.

7. Date of Commencement of Assessments; Due Dates. The monthly or annual assessments provided for herein shall commence as to each Tract subject to such assessments at such time as may be fixed by the Declarant, and shall continue thereafter at the discretion of the Association. Written notice of the amount of all such assessments and the due dates which are established by the Association's Board of Directors shall be sent to the Owner of every Tract subject thereto. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association stating whether or not the assessments on a Tract have been paid.

8. Personal Obligation and Lien; Remedies of the Association for Nonpayment. There is hereby imposed a continuing lien on each Tract in the Subdivision to secure the payment of any assessment authorized hereunder, including any assessment resulting from maintenance expense, incurred by the Declarant or the Association pursuant to Article Eight hereof,

and such lien shall, to the fullest extent permitted by law, bind such Tract or Tracts in the hands of the then Owner, and such Owner's heirs, devisees, personal representatives, successors and assigns. Any assessment authorized hereunder, including any assessment resulting from maintenance expense incurred by the Declarant or the Association pursuant to Article Eight hereof, but not paid on or before the date due shall be deemed delinquent. Each such assessment, together with interest, costs, and reasonable attorney fees shall also be the personal obligation of the Owner of such property at the time when such assessment falls due. If an assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of ten percent (10%) per annum, and the Association may either (a) bring an action at law against the Owner personally obligated to pay the same, or (b) foreclose said lien against the Tract, or (c) both; and, in such event, there shall be added to the amount of such assessment interest as provided herein and all costs of collection, including reasonable attorney fees. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of any Common Area or by abandonment of such Owner's Tract.

9. Subordination of the Lien to Mortgagees. The lien to secure payment of the assessments provided for herein shall be subordinate by the lien of any first mortgage on a Tract. Sale or transfer of any Tract shall not affect the validity of an assessment lien hereunder. No foreclosure sale or transfer shall relieve the purchaser of such Tract from liability for any assessments thereafter becoming due or from the lien securing the payment thereof. No foreclosure sale or transfer shall relieve the delinquent Owner from his personal obligation and liability for payment of the assessments therefor secured by that lien.

10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments, charges, and liens created herein:

(a) All property dedicated and accepted by any local governmental authority and devoted to public use; and

(b) All Common Areas.

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ARTICLE FIVE - MAINTENANCE BY AND
SERVICES OF THE ASSOCIATION

The Association shall maintain, preserve and operate the Association's Common Areas to the extent and the effect that the Association's Board of Directors deems appropriate from time to time. The Association's responsibility to preserve Common Areas shall include, without limitation, an obligation to pay all taxes assessed against such Common Areas.

ARTICLE SIX - ARCHITECTURAL CONTROL

1. Architectural Control Committee. An architectural control committee (hereinafter sometimes referred to as the "Committee") shall be designated and composed of two (2) members, at least one of whom shall be an Owner, to be appointed by Declarant. The following persons are hereby designated as the initial members of the Committee: John B. Kane and Randy L. Lawrence. Each member of the Committee shall serve for a term of three (3) years, unless such member sooner resigns by giving written notice of resignation to the remaining member of the Committee, or is removed at the direction of Declarant or its successors and assigns. The Committee shall serve at the pleasure of the Declarant, its successors and assigns, and a member of the Committee may be removed for any reason or no reason at all. When one hundred percent (100%) of the Tracts in the Subdivision are sold, Declarant shall delegate the authority to appoint members of the Committee to the Association by written notice. Thereafter, the Association, acting by and through its duly authorized Board of Directors, and its successors and assigns shall have the right to appoint and remove members of the Committee. After one hundred percent (100%) of the Tracts in the Subdivision are sold, the Association may terminate the Committee.

2. Submission and Approval of Plans and Specifications. No residence or other structure shall be erected, placed or altered on any Tract without the advance written approval of the Committee. A copy of the construction plans and specifications, including exterior views, exterior materials, colors and elevation; a drainage plan; a site plan showing the location of any proposed structure or improvements; a landscaping plan; a driveway construction plan; and any other information or document which may be required by the Committee shall be delivered to one of the members of the Committee not less than thirty (30) days prior

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to the date construction is to be commenced. The Committee may, in reviewing such plans and specifications, consider any information which it deems proper, including, without limitation, information relating to the question of whether any proposed improvements would unreasonably obstruct the view of the owners of neighboring tracts, harmony of external design and location in relation to surrounding structures, finish grade elevation, and the identity of the builder which the Tract Owner proposes to use to construct the proposed structure or improvement. A copy of the construction plans and specifications and a site plan showing location of the proposed structure or improvements, if approved, shall remain in the possession of the Committee until all Tracts within the Subdivision have been sold. Site plans must be approved by the Committee prior to the clearing of any Tract or the construction of any improvements thereon. The Committee may refuse to approve plans and specifications for proposed improvements on any grounds which, in the sole and absolute discretion of the Committee, are deemed sufficient, including, but not limited to, purely aesthetic grounds. In the event that any plans and specifications are submitted to the Committee as provided herein, and the Committee shall fail either to approve or reject such plans and specifications for a period of twenty-one (21) days following such submission, no approval by the Committee shall be required and approval of such plans and specifications shall be presumed; provided, however, that such 21-day period shall not begin to run until all information required to be submitted by the Committee to assist in its review of any plans or specifications has been received by the Committee. The approval or consent of the Committee of any plans and specifications, whether by action or inaction, shall be valid for a period of three months only. Neither the Committee nor any member thereof, shall be liable to any Tract Owner or to any other person for any loss, damage or injury arising out of the performance of the Committee's duties under this Declaration, unless such loss, damage or injury is due to the willful misconduct or bad faith of the Committee or its members as the case may be.

ARTICLE SEVEN - USE RESTRICTIONS

1. All Tracts shall be used exclusively for residential purposes. No residence or other structure shall be used, either in whole or in part, as a professional office, shop, school or studio, or for the conduct of any business or trade.

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2. No structure shall be erected, placed or permitted to remain on any Tract other than a single family residence and buildings appurtenant thereto, such as a garage, children's play house, swimming pool, bath house, garden shelter or workshop, without permission from a majority of the Tract owners of the Subdivision, with each Tract having one vote. A structure for horses may be erected, provided that any such structure conforms and harmonizes in design and materials with other structures in the Subdivision. No house, garage or other buildings shall be moved onto any Tract on the property.

3. No residence shall be constructed nearer than 150 feet from the front Tract line.

4. No noxious or offensive activity shall be carried on upon any Tract nor shall anything be done thereon which may be or may become an annoyance or a nuisance to the Owners of other Tracts within the subdivision.

5. No structure of a temporary character, basement, tent, shack, trailer, garage, barn or other outbuildings shall be erected for use on any Tract at any time as a residence, whether temporary or permanent. No mobile homes shall be placed upon any Tract within the subdivision.

6. No billboards or advertising signs or structures shall be erected or maintained upon any Tract except for a "for rent" or "for sale" sign, so long as any such sign does not exceed 24" x 36" in size.

7. Until all Tracts within the subdivision have been sold by Declarant, no Tract Owner shall grant an easement over or across any portion of any Tract for ingress and egress to other property nor shall any roadway be constructed or maintained on any Tract except for the private use of the Owner of such Tract.

ARTICLE EIGHT - EASEMENTS AND UTILITIES

1. Declarant does hereby dedicate for the benefit of all Tracts and Owners of Tracts within the subdivision the easements designated on the Plat for the purposes of constructing, maintaining, operating, repairing and/or removing any and all public utilities including, without limitation, telephone and communication lines, electric power lines and transformers, gas lines, water lines, and cable television lines, together with all fittings and equipment,

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including the poles, wires, conduits, pipes, valves and meters for each of such facilities and any other appurtenances thereto with the rights of ingress and egress to and upon said easements for the uses and purposes aforesaid. No building, structure or other above or below ground obstruction will be placed, erected, installed or permitted upon such easements, provided, however, that the Declarant hereby reserves the right to construct, maintain, operate, lay and relay water lines, together with the right of ingress and egress for such construction, maintenance, operation, laying and relaying over, across and along such easements, including ingress and egress easements and utility easements shown on the Plat for the purpose of furnishing water services to the area included in the Plat and to other areas. The Owner of each Tract in the subdivision shall be responsible for the repair and replacement of any landscaping and paving located within their Tract in the event it is necessary to install or repair any underground water, electric, natural gas, communications or telephone service.

2. (a) Overhead lines for the supply of electric and communication service may be located within the easements in the Subdivision. All other supply lines will be located underground in the utility easements. Service pedestals and transformers, as sources of supply at secondary voltages, may also be located in said utility easements.

(b) Underground service cables to all structures which may be located may be run from the nearest service pedestal or transformer to the point of usage determined by the location and construction of such structure as may be located upon each said Tract; provided, that upon the installation of such a service cable to a particular structure, the supplier of electric or communications service shall thereafter be deemed to have a definitive, permanent and effective right-of-way easement on said Tract, covering a 5-foot strip extending 2.5 feet on each side of such service cable, extending from the service pedestal or transformer to the service entrance on said structure.

(c) The supplier of electric or communication service, through its proper agents and employees, shall at all times have the right of access to all such utility easements provided for in this Declaration of Restrictions, Covenants and Conditions for the purpose of installing, maintaining, removing or replacing any portion of said underground electric or communication facilities so installed by it.

(d) The Owner of each Tract shall be responsible for the protection of the underground electric or communication facilities located on his or her property and shall prevent the alteration of grade or any construction activity which may interfere with said electric or communication facilities. The supplier of electric and/or communication services shall be responsible for ordinary maintenance of underground electric or communication facilities, but the Owner of a Tract shall pay for damage or relocation of such facilities caused or necessitated by acts of the Owner or his agents or contractors.

(e) The foregoing covenants concerning underground electric and communication facilities shall be enforceable by the supplier of electric and communication service, and the Owner of each Tract agrees to be bound hereby.

ARTICLE NINE - GENERAL PROVISIONS

1. The restrictions, covenants and conditions of this Declaration shall run with and bind all lands within the Subdivision and shall inure to the benefit of and be enforceable by the Declarant or any Tract Owner and their respective legal representatives, successors and assigns and, unless amended as provided herein, shall be effective for a term of twenty (20) years from the date this Declaration is recorded. After such 20-year period, said covenants, conditions and restrictions shall be automatically extended for four successive periods of twenty (20) years each unless amended as herein provided. Following sale of all of the Tracts within the subdivision, the restrictions, covenants and conditions of this Declaration may be amended or changed by written instrument duly recorded in the Office of the County Clerk of Washington County, Oklahoma, and signed by not less than fifty-one percent (51%) of the then Owners of the Tracts in the Subdivision, with each Tract having one vote.

2. The Declarant or any Tract Owner shall have the right to enforce, by any proceeding at law or in equity, all of the restrictions, covenants and conditions imposed by the provisions of this Declaration. Any failure to enforce the restrictions, covenants and conditions of this Declaration shall in no event be deemed a waiver of the right to do so thereafter, and any violation of the restrictions, covenants and conditions set forth herein shall not affect the lien of any mortgage or any secured party. Any person or entity found by a court of competent jurisdiction to be in violation of these declarations shall be liable to the party seeking to

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enforce these declarations for all costs, expenses and reasonable attorney fees incurred in connection with the enforcement hereof.

3. Invalidation of any one or more of the restrictions, covenants and conditions set forth in this Declaration by judgment or court order shall not affect the validity of any other provision hereof and all such other provisions shall remain in full force and effect.

Executed this 3rd day of May, 2007.

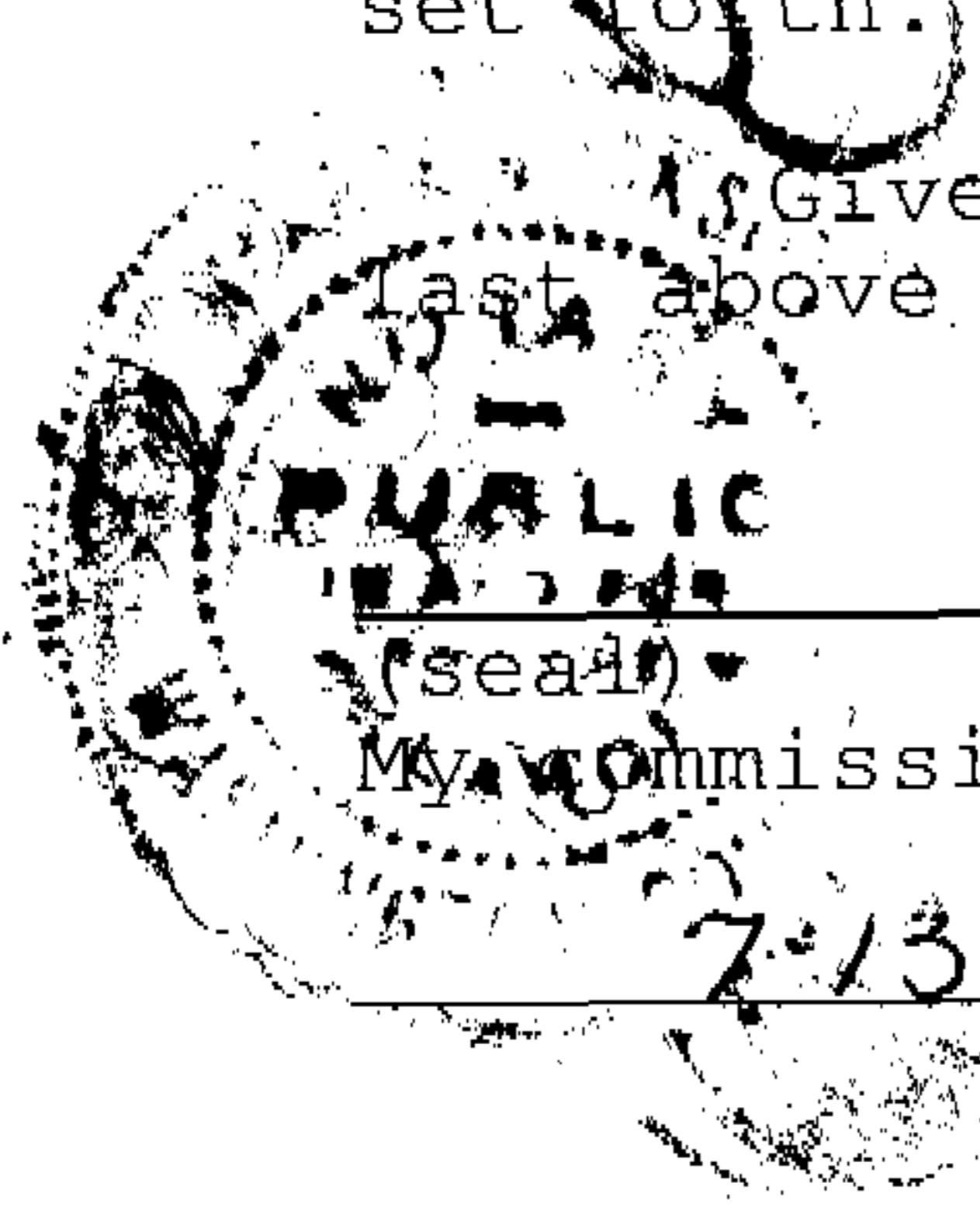
J & J LAND, L.L.C.

By John B. Kane
John B. Kane, Manager

STATE OF OKLAHOMA)
) ss.
COUNTY OF WASHINGTON)

Before me, the undersigned, a notary public, in and for said County and State, on this 3rd day of May, 2007, personally appeared John B. Kane, as Manager, to me known to be the identical person who subscribed the name of the maker hereof to the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such limited liability company, for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.



Marie Jackson
Notary Public
Commission No. 99010667

My Commission expires:
7-13-07

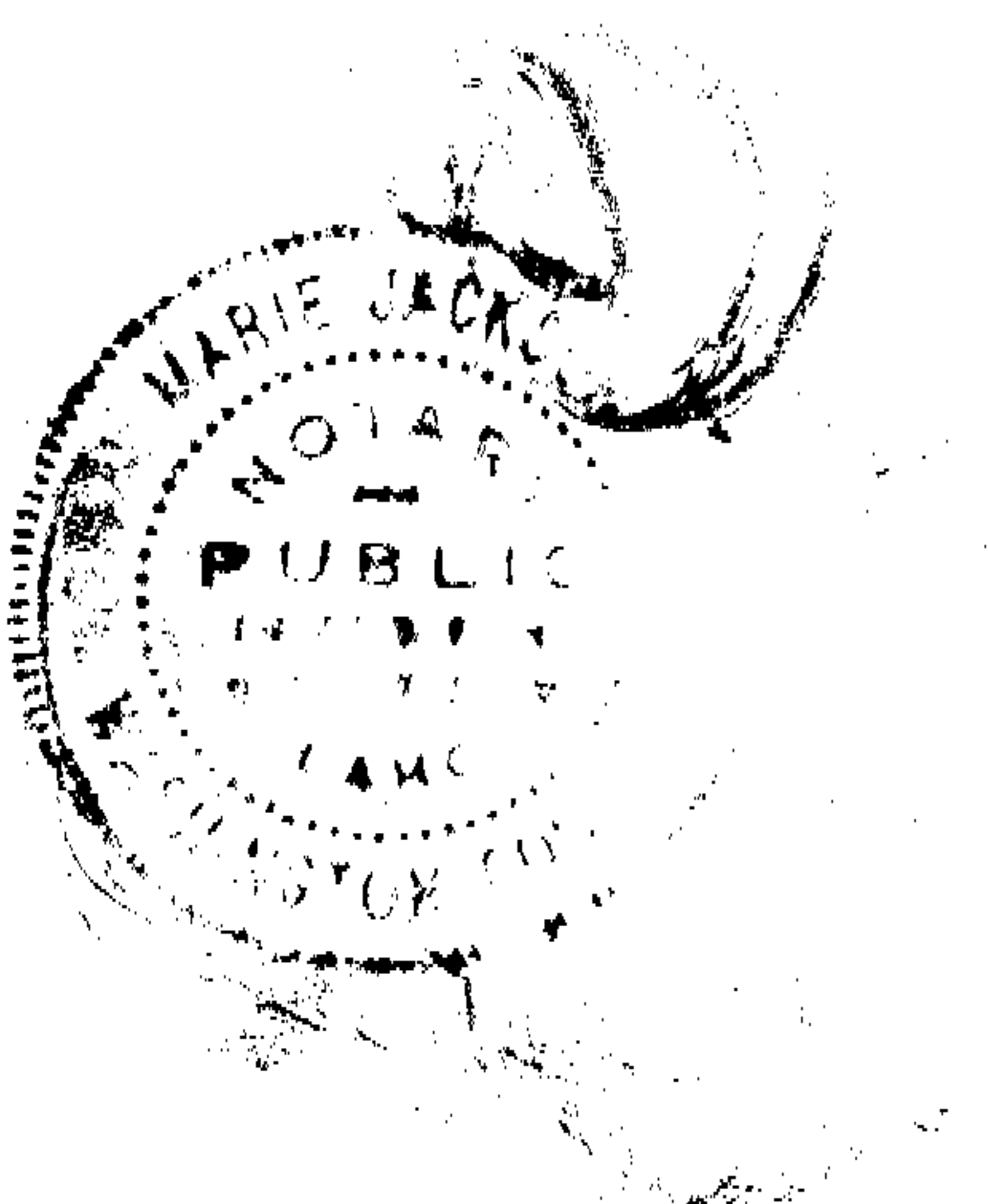
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Exhibit "A"

SE/4 NE/4 and NE/4 SE/4 and N/2 N/2 SE/4 SE/4
and S/2 NW/4 SE/4 and W/2 SW/4 SE/4 SE/4 of
Section 22, Township 27 North, Range 13 East,
Washington County, Oklahoma, and

NW/4 of Section 23, Township 27 North, Range 13
East, Washington County, Oklahoma

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Doc # 2007004462
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DATE 05/07/07 10:15:21
Filings Fee \$37.00
Documentary Tax \$0.00
State of Oklahoma
County of WASHINGTON
WASHINGTON County Clerk
M. PARRISH

M. Parrish

