

**BYLAWS  
OF  
FALCON RIDGE ESTATES HOA, INC.**

The name of the organization shall be the Falcon Ridge Estates HOA, Inc.

**ARTICLE I  
PURPOSE AND PARTIES**

1. Governance of Regime. The purpose for which this nonprofit corporation is formed is to own, manage and maintain the Common Areas and other properties of the Association in the planned Lot development known as Falcon Ridge Estates hereinafter referred to as the "Project", situated in the County of Oklahoma, State of Oklahoma, which property is described in the various Declarations of Covenants, Conditions and Restrictions ("Declaration") of the Falcon Ridge Estates Addition and which property has been submitted to the regime created by the Real Estate Development Act of the State of Oklahoma by the recording of the Declaration of Covenants, Conditions and Restrictions in Book 10779, Page 1864, records of the County Clerks office of Oklahoma County. All definitions contained in said Declarations, and any amendments thereto, shall apply hereto and are incorporated herein by reference.

2. Owners Subject to These Bylaws; Acceptance of Bylaws. All present or future owners, tenants, future tenants of any Lot, or any other person who might use in any manner the Common Areas or any facilities or property of the Association are subject to the provisions and any regulations set forth in these Bylaws. The mere acquisition, lease or rental of any Lot or the mere act of occupancy of a Lot will signify that these Bylaws are accepted, approved, ratified, and will be complied with.

**ARTICLE II  
MEMBERSHIP, VOTING, MAJORITY OF  
CO-OWNERS ("OWNERS"), QUORUM, PROXIES**

1. Membership. Except as is otherwise provided in the Declarations, the Articles of Incorporation or in these Bylaws, ownership of a Lot in the Falcon Ridge Estates development is required in order to qualify for membership in this Association. Any person on becoming an owner of a Lot shall mandatorily and automatically become a member of this Association and be subject to the Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a Lot, but such termination shall not relieve or release any such former owner from any liability or obligations incurred under or in any way connected with this Association, during the period of such ownership and membership or impair any rights or remedies which the owners have, either through the Board of Directors of the Association or directly, against such former owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.

2. Voting. Except as to the Declarant (who has **four votes** per Lot owned), there shall be one vote per one Lot owned. Co-owners or joint tenants may only exercise one vote. No fractional votes are allowed. No Lot owner who is not current in his/her/their annual dues may vote at any meeting.

3. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of one-third (1/3rd) of the owners (if voting is disproportionate owners shall mean the number of votes) shall constitute a quorum. In the event a quorum is not present, then the meeting called shall be adjourned, and, if notice has not already been given, notice of a new meeting for the same purposes within two (2) to four (4) weeks shall be sent by mail, at which meeting the number of owners represented in person or by proxy shall be sufficient to constitute a quorum. An affirmative vote of a majority of the members either in person or by proxy shall be required to transact the business of the meeting. **THERE IS NO QUORUM REQUIREMENT FOR THE ELECTION OF DIRECTORS AT ANY ANNUAL MEETING.**

4. Proxies. Votes may be cast in person or by written proxy. Proxies must be filed with the Secretary or assistant Secretary of the Association before the appointed time of each meeting.

### ARTICLE III ADMINISTRATION

1. Association Responsibilities. The Falcon Ridge Estates HOA, Inc. hereinafter referred to as "Association", will have the responsibility of administering the project through a Board of Directors. The Association shall have the direct obligation and responsibility for maintenance, operation and repair of the Common Areas including the areas appurtenant to statutory street right-of-ways along section line roads and any other areas shown on the plat as common right-of-way such as entrances and center medians. It is the intent of this Declaration to require the Association to maintain all areas outside any lot line including any improvements made by Declarant or the Board of Directors for the benefit of the neighborhood.

2. Place of Meeting. Meetings of the Association shall be held at such suitable place, convenient to the owners, as the Board of Directors may determine.

3. Initial Meeting. The first meeting of the Association shall be held upon notification from the Declarant of its intention to turn over control of the Association to the Members or upon notification from the Declarant that more than eighty (80%) of the lots for all Sections have been sold and occupied by Owners, whichever first occurs. Notice of the time and place of the initial meeting to all Owners shall be the responsibility of the Declarant and shall be given in accordance with the requirements for Annual Meetings of the Association. The Declarant must give notice of the initial meeting of the Association within sixty (60) days of eighty (80%) percent of the lots being sold to Owners.

4. Annual Meetings. Annual meetings of the Association shall be held in November or December of each succeeding year OR as set by the Board of Directors. At such meetings there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Paragraph 5 of Article IV of these Bylaws. The owners may also transact such other business of the Association as may properly come before them. THERE IS NO QUORUM REQUIREMENT FOR THE ELECTION OF DIRECTORS AT ANY ANNUAL MEETING.

5. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by a majority in voting interest of the owners and having been presented to the Secretary or Assistant Secretary of the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of two-thirds (2/3), in interest, of the owners present, either in person or by proxy. Any such meetings shall be held after the first annual meeting and shall be held within thirty (30) days after receipt by the President of such resolution or petition.

6. Notice of Meeting. It shall be the duty of the Secretary or Assistant Secretary of the Association to mail a notice of each meeting (annual or special), by first class mail with postage prepaid thereon, stating the purpose thereof as well as the time and place it is to be held, to each owner of record at least ten (10) days, but not more than thirty (30) days prior to such meeting. The mailing of notice in the manner provided in this paragraph shall be considered notice served. Notice of the annual meeting of the Association may also include notice of the subsequent meeting to be held in the event a quorum is not achieved at the called meeting.

7. Order of Business. The order of business at all meetings of the owners shall be determined by the Board of Directors. In lieu of a written agenda by the Board of Directors the order of business shall be as follows:

- (a) Roll call and certifying proxies;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading and disposal of unapproved minutes;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of directors, as applicable;
- (g) Unfinished business;
- (h) New Business; and
- (i) Adjournment.

**ARTICLE IV  
BOARD OF DIRECTORS**

1. Number, Qualification and Appointment or Election. Until the first annual meeting of the Association, the affairs of the Association shall be governed by the Declarant or its appointed agent. At the first meeting, there shall be elected no less than three (3) or more than seven (7) members of the Association to the Board of Directors, and who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified. The number of Directors may be increased or decreased at any annual meeting of the members. Nominations for election as a Director at any annual meeting of the Members shall be taken from the floor from any qualified Owner. No Owner who is not current in his, her or their annual dues may nominate or be nominated to be a Director.

2. General Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential project. The Board of Directors may do all such acts and things except as prohibited by law or by these Bylaws or by the Declaration.

3. Other Powers and Duties. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the owners of the project:

(a) Administration. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration submitting the property to the provisions of the Real Estate Development Act of the State of Oklahoma, the Bylaws of the Association and supplements and amendments thereto.

(b) Rules and Regulations; Fines. To establish, make and enforce compliance with such reasonable rules as may be necessary for the operation, use and occupancy of the project with the right to amend same from time to time. The procedures for adoption, hearing and imposition of fines are set forth in the Declarations. The amount of a fine adopted by the Board shall be included in the adopted Rules and Regulations.

(c) Maintenance of Common Areas. To keep in good order condition and repair all of the general common areas and all items of common personal property used by the owners in the enjoyment of the entire premises.

(d) Insurance. To insure and keep insured all of the insurable common areas of the property in an amount equal to their maximum replacement value as is provided in the Declaration. To insure and keep insured all of the common fixtures, equipment and personal property for the benefit of the owners of the Lots and their mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts not less than \$250,000.00 per person and \$1,000,000.00 per accident and \$100,000.00 property damages. And to obtain such other insurance policies as deemed appropriate by the Board of Directors.

(e) Budget; Determination of Assessments; Increase or Decrease of Same; Levy of Special Assessments. To prepare an annual budget. To levy and collect special assessments, whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

(f) Enforcement of Assessment Lien Rights. To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner who may be in default as is provided for in the Declaration and these Bylaws. To collect interest at the rate set by the Board of Directions in connection with assessments remaining unpaid more than thirty (30) days from due date for payment thereof, together with all expenses, including attorney's fees incurred.

(g) Protect and Defend. To protect and defend the entire premises from loss and damage by suit or otherwise.

(h) Borrow Funds. To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws not to exceed, however, the sum of \$10,000.00 without a majority vote of approval from all Lot Owners; and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary.

(i) Contract. To enter into contracts within the scope of their duties and powers.

(j) Bank Account. To establish a bank account or 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 to the general common areas consistent with managing the project in a first class manner and consistent with the best interests of the members.

(l) Books and Records. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof by each of the owners and each first mortgagee, and to cause a review of the books and accounts by a qualified person once a year.

(m) Annual Statement. To prepare each year a statement showing receipts, expenses, and disbursements since the last such statement(s) and provide a copy of said statement(s) to any owner requesting same.

(n) Meetings. To meet at least quarterly, provided that any Board of Directors meeting may be attended and conducted by telephone or other device which permits all of the Directors in attendance to participate in 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 of the members of the Board.

(o) Personnel. To designate, employ and dismiss the personnel necessary for the maintenance and operation of the common areas or other administration of the project.

(p) Administration of Association. In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of this project.

(q) Managing Agent. The Board of Directors may employ for the Association a management agent (Managing Agent) who shall have and exercise all of the powers granted to the Board of Directors by the Declaration and Bylaws.

(r) Property Manager Duties; Management Agreement. To employ workmen, and others; to contract for services to be performed, including those of a Manager; to purchase supplies and equipment; to enter into contracts; and generally to have the powers of an apartment house or property manager in connection with the matters herein set forth, except that the Association may not encumber or dispose of the fee title of any Owner except to satisfy a lien, award or judgment against such Owner for violation of the Owner's covenants imposed by this Declaration. The Association shall not enter into any contract or management agreement for the furnishing of services (other than utility services), materials or supplies, the terms of which is in excess of one year; and further provided, that any contract or management agreement entered into (excluding those utilities) by the Association shall be terminable by the Association for cause upon thirty (30) days written notice or without cause or payment of a termination fee upon ninety (90) days written notice.

(s) Ownership of Lots. To own, convey, encumber, lease or otherwise deal with Lots conveyed to it as the result of enforcement of the lien for common expenses or otherwise.

(t) All Things Necessary and Proper. To do all things necessary and proper for the sound and efficient management of the project.

(u) Tax Exempt Status. To determine each year the advisability of election of tax exempt status under the appropriate Section of the Internal Revenue Code of 1954.

4. No Waiver of Rights. The omission or failure of the Association or any owner to enforce the covenants, conditions, restrictions, easements, use limitations, obligations or other provisions of the Declaration, the Bylaws or the regulations and rules adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors or the Managing Agent shall have the right to enforce the same thereafter.

5. Election and Term of Office; Staggered Office. At the first annual meeting of the Association the term of office of one Director shall be fixed at three (3) years; the term of office of one Director shall be fixed at two (2) years; and the term of office of the remaining Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of two (2) years. If more than three Directors are elected by the Association, the terms of the additional Directors should also be staggered so that approximately one-half of the authorized Directors are elected each year. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided. If a successor has not been elected at the end of a Director's term, that Directors term shall be extended until a successor has been elected.

6. Vacancies in Board. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association 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 Association.

7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a vote of two-thirds (2/3) of the members entitled to vote, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting. Should any director miss three consecutive regular meetings of the Board of Directors or be more than sixty (60) days delinquent in the payment of any dues or assessments, he or she shall be automatically removed from the Board and a successor selected and approved by the Board to fill his unexpired term.

8. Directors' Organization Meeting. The organizational meeting of a newly elected Board of Directors shall be held immediately following the annual members meeting, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

9. Directors' Regular Meetings. 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 such meeting shall be held during each calendar quarter. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

10. Directors' Special 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, telephone or telegraph, 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 or Assistant Secretary of the Association in like manner and on like notice on the written request of one or more Directors.

11. Waiver of Notice. 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 him 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.

12. Board of Directors' Quorum. 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.

13. Compensation. No member of the Board of Directors shall receive any compensation for acting as such. However, members of the Board of Directors or Association may be reimbursed for expenses incurred by them in the performance of Association business. Compensation does not include gifts of appreciation or condolences to any member or outgoing Directors.

## **ARTICLE V FISCAL MANAGEMENT**

The provision for fiscal management of the association for and on behalf of all of the members as set forth in the Declaration shall be supplemented by the following provisions:

1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

2. Dues; Due Date; Adjustment; Commencement. The annual dues have been set in the Declarations at \$300.00 per year. The dues shall be collected annually. The initial due date is set at March 1st, however, the due date may be adjusted by the Board of Directors prior to the commencement of the fiscal year. During the period of Declarants management the dues may be adjusted up or down as necessary for a developing neighborhood. Once a homeowner board has been elected the annual dues may be increased each year by the Board of Directors up to ten (**10%**) percent of the previous years dues without approval of the membership. Any increase in excess of ten (10%) percent must be approved by a majority vote of those members in attendance at the annual meeting, or any special meeting called for that purpose. The Developer and Builders who purchase a lot for construction and resale do not pay dues.

3. Accounts. The funds and expenditures of the members by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(a) Current or Common expenses, which shall include all funds and expenditures within the year for which the funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves and to additional improvements.

(b) Reserves for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.

(c) Reserves for replacement (sinking funds), which shall include funds for repair or replacement required because of damage, wear or obsolescence.

(d) Capital improvements, which shall include funds for construction of new improvements for which reserves for replacement have not been established.

## **ARTICLE VI OFFICERS**

1. Designation. The officers of the Association shall be a President, Vice President, Secretary, Treasurer and Chairman of the Maintenance Committee, all of whom shall be members of and elected by the Board of Directors, and such assistant officers as the Board shall, from time to time, elect. Such assistant officers need not be members of the Board of Directors, but each shall be an owner of a Lot.

2. Election of Officers. The officers of the Association 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.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may have his office removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. Members of the Board may only be removed by vote of the owners as provided elsewhere in these Bylaws.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors unless he is absent. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the owners from time to time as he may, in his discretion, decide are appropriate to assist in the operation of the Association or as may be established by the Board or by the members of the Association at any regular or special meeting.

5. Vice President. 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 his inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties he is directed to perform by the President.

6. Secretary.

(a) The Secretary shall keep all the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary and as is provided in the Declaration and the Bylaws.

(b) The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the Lot owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

7. Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association 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 day of each month.

## **ARTICLE VII INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENT**

1. Indemnification. The Association shall indemnify through insurance or other means every Director, Officer, Managing Agent, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceedings to which he may be made a party by reason of his being or having been a Director, Officer or Managing Agent of the Association, 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 Association 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 as such Director, Officer or Managing Agent in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, Officer or Managing Agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VII shall be deemed to obligate the Association to indemnify any member or owner of a Lot who is or has been a director or officer of the Association with respect to any duties or obligations assumed or liability incurred by him under and by virtue of the Declaration.

2. No Personal Liability. Contracts or other commitments made by the Board of Directors, Officers or the Managing Agent shall be made as agent for the members, and they shall have no personal responsibility on any such contract or commitment (except as members), and the liability of any member on such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest of each member bears to the total assets of the Association.

**ARTICLE VIII  
AMENDMENT TO BYLAWS**

1. Amendments to Bylaws. These Bylaws may be amended by the Initial Directors at any time prior to the first annual meeting of the membership. Thereafter these Bylaws may be amended by the Association at a duly constituted meeting called for such purpose or in any regular meeting so long as the notice of such meeting sets forth the complete text of the proposed amendment. No amendment by the Association shall be effective unless approved by a 2/3rds vote of the members and memorialized in a writing signed by the Board of Directors.

**ARTICLE IX  
EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS  
AND DESIGNATION OF VOTING REPRESENTATIVE**

1. Proof of Ownership. Any person, on becoming an owner of a Lot, shall furnish to the Managing Agent or Board of Directors a true and correct copy of the original or a certified copy of the recorded instrument vesting that person with an interest or ownership in the Lot, which copy shall remain in the files of the Association. A member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of members unless this requirement is first met.

2. Closing and Acknowledgment of Restrictions. In conjunction with furnishing to parties such as closing agents, notice of any lien claim by the Association for unpaid dues and assessments the Board of Directors, or Managing Agent, shall require the Seller-Lot Owner, or the closing agent, to obtain from the Purchaser of a Lot a signed acknowledgement of receipt of a copy of the Declarations, Articles of Incorporation, Bylaws and the rules or regulations of the Association, if any. Copies of these instruments will be furnished by the Association for this purpose to every Lot Owner, closing or transfer agent or Purchaser.

3. Registration of Mailing Address. The owner or several owners of an individual Lot shall have one and the same registered mailing address to be used by the Association for mailing of annual statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of an owner or owners shall be furnished by such owner(s) to the Managing Agent 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.

4. Designation of Voting Representative Proxy.

(a) If a Lot is owned by one person, his right to vote shall be established by the record title thereto. If title to a Lot is held by more than one person or by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, such owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the owner himself might cast if he were 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 person or alternate persons to attend all annual and special meetings as provided by this Paragraph.

(b) The requirements herein contained in this Article shall be first met before an owner of a Lot shall be deemed in good standing and entitled to vote at an annual or special meeting of members.

**ARTICLE X  
OBLIGATIONS OF THE OWNERS**

1. Assessments. All owners shall be obligated to pay the annual dues imposed by the Association to meet the common expenses. The assessments imposed hereunder shall be due and payable yearly in advance as provided in Article V, paragraph 2. The amount of such assessments may be altered in accordance with Article V of the Declaration. 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 Bylaws, if, and only if, he shall have fully paid

all assessments made or levied against him and the Lot or Lots owned by him, and is not in violation of any rule or regulation of the Association then in force.

2. Lien. The obligations of each owner to pay assessments shall be secured by a lien on the Lot in favor of the Association and such obligation shall survive any sale thereof.

3. General.

(a) Each owner shall comply strictly with the provisions of the recorded Declaration and these Bylaws and amendments thereto.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this project was developed.

4. Use of Lots.

(a) All Lots shall be utilized only for residential purposes except as are otherwise provided in the Declaration and Plat Map.

5. Use of General Common Areas. Each owner may use the general common areas, sidewalks, pathways, roads and streets located within the entire project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners.

## **ARTICLE XI ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS; DISPUTE RESOLUTION**

1. Abatement and Enjoinment. Subject to the provisions contained in this Article, the violations of any rule or regulation accepted by the Board of Directors, or the Breach of any Bylaws, or the breach of any provision of the Declaration, shall give the Board of Directors or the Managing Agent the right, in addition to any other rights set forth therein, (i) to enter the Lot on which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Lot owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or Managing Agent shall not be deemed guilty in any manner of trespass, and to expel, remove and put out, using such force as may be necessary in so doing, without being liable to prosecution or any damages thereof; and (ii) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

2. Denial of use of Amenities. Should any owner be in default in the payment of any dues, assessments, or other sums due under the terms of the Declaration or these Bylaws, or be in violation of any of the terms of the Declaration, these Bylaws, or any rule or regulations then in force, after due notice to correct such violation, then in any of such events, such owner may be denied the use of any of the amenities until such default or violation is appropriately cured.

3. Due Process. In order to afford due process to each owner before any punitive action may be finally imposed by the Board of Directors, each owner shall have the right after receiving notice of the Board's intended imposition of a fine or other punitive action, of not less than ten (10) days written notice served upon the owner as provided by civil process in the State of Oklahoma, a hearing before the Board of Directors, en banc, shall then be available to any owner to present evidence for the purpose of avoiding or mitigating any penalty or punitive action at which hearing both the Association and the owner may produce evidence and present witnesses. The Board of Directors shall promptly resolve the dispute and announce its decision, which in such instances shall be final as to all matters.

4. Mandatory Dispute Resolution for Non-monetary Disputes. The Association and every Owner shall be required to resort to a mandatory dispute resolution process in lieu of litigation for non-monetary violation(s) of the Covenants, these Bylaws and Rules and Regulations adopted pursuant thereto. The Association shall not be required to resort to this dispute resolution process in the collection or assessment of any dues, fines, costs, assessments or other monetary items. For the purposes of this paragraph Mandatory Dispute Resolution shall include the following procedures:

(A) Facilitator. When the Board believes an Owner is violating one or more provisions of the Association Documents the Board may employ an independent third-party to act as a "Facilitator". The Facilitator is authorized to contact both parties to the dispute and enter a written memorandum of the results of his or her attempt to settle the dispute including which party should pay the Facilitators fee, if any. If the Facilitator is not able to settle the dispute, after receipt of the written memorandum, a party may choose to proceed to mediation as described in paragraph (B) below. The Facilitator may be any individual including another owner, if both parties agree. If the parties can not agree, or if the Owner does not respond to the Boards request for a Facilitator, the Board shall employ an individual who holds themselves out as someone who regularly engages in dispute resolutions.

(B) Mediation. In the event a dispute is not settled after facilitation the parties shall participate in mediation in accordance with the Oklahoma Statutes Title 12, Chapter 37: Dispute Resolution Act, Section 1801-1806 and The District Court Mediation Act Chapter 38, Section 1821 - 1825. The parties shall share equally in the costs of the mediation. A list of qualified mediators shall be chosen by each party to the dispute and presented to the other party. In the event the parties can not agree as to a mediator the facilitator shall choose the mediator.

(C) Binding Arbitration. In the event the parties are unable to settle the dispute through mediation, such dispute shall be settled by arbitration in accordance with (i) Oklahoma's Uniform Arbitration Act and (ii), if additional rules and procedures are necessary, the rules of the American Arbitration Association in effect at the time such arbitration is initiated. The mediator shall choose the Arbitrator and the hearing shall be held at a mutually convenient location in Oklahoma County or the County in which the property is located. The decision of the arbitrator shall be final and binding upon all Parties and shall be enforceable in any Court of competent jurisdiction. The prevailing party at such arbitration shall be awarded the costs of the arbitration, and the costs all of the filing fees and related administrative costs. Administrative and other costs of enforcing an arbitration award, including the costs of subpoenas, depositions, transcripts and the like, witness fees, payment of reasonable attorney's fees, and similar costs related to collecting an arbitrators award, will be added to, and become a part of, the amount due. Any questions involving the interpretation of this provision shall use the laws of Oklahoma. An arbitrator's decision may be entered in any jurisdiction in which the party has assets in order to collect any amounts due hereunder.

## **ARTICLE XII COMMITTEES**

1. Designation. The Board of Directors may, but shall not be required to, appoint an executive committee, and it may designate and appoint members to standing committees or special ad hoc committees for any useful or worthwhile purpose to function in an advisory capacity to the Board of Directors. The Board may establish rules for the conduct of these committees and may delegate responsibility to said committees. Suggested Committees for the Board to consider appointing and their respective membership are as follows:

(a) Welcoming Committee. The welcoming committee, consisting of at least three (3) persons, shall have the responsibility of assisting new residents in settling into their Lots and becoming a part of the Association by means of, among other things, a homeowner brochure, a directory of other residents, a shopping guide, information on local facilities, and a school district guide.

(b) Social Committee. The Social Committee, consisting of at least two (2) persons, shall have the responsibility of planning programs to make the best possible use of the facilities and amenities of the Association by means of developing an ongoing program of interaction and involvement.

(c) Newsletter Committee. The Newsletter Committee, consisting of at least two (2) persons, shall have the responsibility of providing residents with up-to-date information on new residents, association functions, the progress of the development, committee vacancies, rules and regulations changes, and other appropriate information.

(d) Maintenance Committee. The Maintenance Committee shall have primary responsibility for the day-to-day performance and planning of all maintenance, replacement and repair of the Common Areas and Association property. Members of the Maintenance Committee shall be chosen by the Board of Directors so as to allow proportional representation of Lots. The Maintenance Committee shall also be responsible for estimating future needs for replacement and repair of the Common Areas and Association property and presenting that plan

to the Board of Directors sixty (60) days prior to the budget being due.

(e) Architectural Committee. The Architectural Committee, consisting of at least five (5) persons, shall be chaired by a Board member and shall be responsible for the approval or denial of any requests for changes, additions or alterations to any structure on a Lot.

2. Vacancies. A vacancy in any committee shall be filled by the President until the next meeting of the Board of Directors.

**ARTICLE XIII  
COMPENSATION**

This Association is not organized for profit. No member, member of the Board of Directors, Officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary, credit for dues or compensation to, or distributed to, or inure to the benefit of any member of the Association or the Board of Directors, provided, however, that any member, Director or Officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

If it is determined a Member has received compensation for services performed the Association shall be entitled to pursue reimbursement of those funds from the Member and from the individual Directors authorizing payment.

**ARTICLE XIV  
EXECUTION OF DOCUMENTS**

The persons who shall be authorized to execute any and all contracts, documents, instruments or conveyances or encumbrances, including promissory notes, shall be the President or Vice President and the Secretary or Assistant Secretary of the Association.

**ARTICLE XV  
MISCELLANEOUS**

1. Conflict in Documents. In the event that any inconsistency or conflict exists between the items of the Declaration, these Bylaws, or any rule or regulation then in force, the inconsistency or conflict shall in every instance be controlled by the Declaration.

2. Exculpation of Unavoidable Loss. The Association shall not be liable for any loss to any owner or inflicted upon any Lot or the property of the owner situated therein, brought about by flooding, water damage caused by burst pipes, acts of God or other force majeure. It is intended that for losses of these nature, each owner will bear the same or effect his own insurance to cover the same. Each owner may obtain additional insurance at his own expense for his own benefit. Insurance coverage on all furnishings and decorations and other items of personal property belonging to an owner and casualty and public liability insurance coverage within each individual Lot are specifically made the responsibility of the owner thereof.

EXECUTED this 15th day of April, 2008.

Signed by Willard Barnett, initial director

**BYLAWS FOR FALCON RIDGE ESTATES HOA, INC.**