

**BY-LAWS OF
OLDE STONEBRIDGE HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE I
NAME AND LOCATION**

The name of this corporation is OLDE STONEBRIDGE HOMEOWNERS' ASSOCIATION, INC. (hereinafter the "Owners Association"), a nonprofit corporation.

**ARTICLE 2
PURPOSE AND PARTIES**

2.01 The administration of every Property described in the Plat and the Declaration of Covenants and Restrictions of Olde Stonebridge, of which these By-Laws are a part and which have been submitted to the provisions of 60 Okla. Stat. SS 851 et seq., by the recording of said Declaration of Covenants and Restrictions and the Exhibits thereto, including a true and correct copy of the By-Laws, shall be governed by these By-Laws. All definitions and terms contained in said Declaration of Covenants and Restrictions shall apply hereto and are incorporated herein by reference.

2.02 All present and future owners, future tenants of any lot, mortgagees and other persons who may use the facility of the Property in any way are subject to these By-Laws, the Articles of Incorporation of Olde Stonebridge Owners Association, Inc., the Declaration of Covenants and Restrictions, the rules and regulations of the Owners Association, and all agreements and easements relating thereto. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a lot shall constitute an agreement by such owner or occupant that these By-Laws, the Articles of Incorporation of Olde Stonebridge Owners Association, Inc., the Declaration of Covenants and Restrictions, and the rules and regulations promulgated by the Owners Association or its Board of Directors, as they may be amended from time to time, are accepted as conditions and covenants running with the land and will be complied with.

2.03 The purpose of the corporation is to provide management, maintenance, preservation, control, and rules and regulations and to enforce all mutual, common or reciprocal interests and all restrictions upon all property which may be within Olde Stonebridge.

**ARTICLE 3
LOT OWNERS**

3.01 Membership. Any person on becoming an owner of a lot shall automatically become a member of the Owners' Association and be subject to these By-Laws. Such membership shall terminate without any formal action by the Owners' Association whenever such person ceases to own a lot, but such termination shall not relieve or release any such former owner from any liability or obligation incurred under or in any way connected with the Owners' Association during the period of such ownership and membership in the Owners' Association, or impair any rights or remedies which the owners have either through the Board of Directors of the Owners Association or directly against such former owner or member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto. The membership shall be deemed conveyed or encumbered with the lot even when such interest is not expressly mentioned or described in the conveyance or other instrument.

3.02 Annual Meetings. Regular meetings of members of the Owners' Association shall be held not less than annually at the addition or such other suitable place convenient to the members as may be designated by the Board. The first meeting of the Owners' Association shall be held on May 1, 1997.

3.03 Special Meetings. A special meeting of members of the Owners Association shall be promptly called by the Board upon the vote for such a meeting by a majority of a quorum of the Board or upon receipt of a written request therefor signed by members representing twenty-five percent (25%) of the total voting power of the Owners' Association or by members representing fifteen percent (15%) of the voting power residing in

members other than Declarant,

3.04 Notice of Meetings. The Board shall give written notice of regular and special meetings to members by mailing a notice to each member which shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken. Except in the case of an emergency, notice shall be mailed to each member at least ten (10) days prior to the meeting and shall be posted in a conspicuous place on the Common Elements.

3.05 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of lot owners shall constitute a quorum at all meetings of the lot owners. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. An affirmative vote of a majority of the owners present, either in person or by proxy, shall be required to transact the business of the meeting except wherein the Declaration of Covenants and Restrictions, the By-Laws or by law a higher percentage vote is required.

3.06 Proxies. At all meetings of members, each may vote in person or by proxy. All proxies shall be in writing and filed with the secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot or upon receipt of notice by the secretary of the Board of the death or judicially declared incompetence of such member.

3.07 Adjournment. In the absence of a quorum at the commencement of a members meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. Any meeting adjourned for lack of a quorum shall be continued to a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The quorum for such a reconvened meeting shall be twenty-five percent (25%) of the total voting power of the owners' Association.

3.08 Voting. The owner or owners of each lot shall be entitled to one vote for each lot owned by said owner or owners. Provided, however, that the Declarant shall be entitled to five (5) votes for each lot in which it holds the interest required for membership by Section 6.01 of the Declaration of Covenants and Restrictions of Olde Stonebridge. Whenever more than one person holds such interest in any lot, the vote for such lot shall be exercised as those owners themselves determine and advise the secretary prior to the meeting. In the absence of such advice, the lot's vote shall be suspended in the event more than one person seeks to exercise it. Each vote shall have equal value.

3.09 Order of Business. The order of business of all meetings of the owners' Association 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 Board of Directors;
- f) Reports of committees;
- g) Unfinished business;
- h) New business;
- i) Adjournment.

ARTICLE 4 BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

4.01 Number and Term. The number of Directors shall be set annually by the members of the association. The Board shall initially consist of two (2) directors, each of whom shall be a lot owner or an agent of Declarant (while Declarant remains a lot owner). The directors shall serve concurrent terms of one (1) year. The initial directors, who shall be appointed by the Declarant, shall serve until the first meeting of the Owners' Association; thereafter, all directors shall be elected and removed according to these By-Laws. So long as the Declarant owns one or more lots, the Declarant shall be entitled to appoint at least one (1) member of the Board who need not be a lot owner. After the Declarant has conveyed all lots and is no longer entitled to elect one

member of the Board, all directors shall be lot owners.

4.02 Election of Board of Directors.

(a) Nominating. Nominations for election to the Board shall be made by written nominations :at the annual meeting or at such other meeting specially called for the purpose of electing members of the Board Each lot owner may list up to the number of Directors to be elected.

(b) Cumulative Voting: Elections of Board members shall be by secret written ballot. The number of nominees equal to the number of Directors to be elected receiving the highest number of votes shall be deemed elected to the Board.

4.03 Removal. Unless the entire Board is removed from office by a majority vote of the Owners' Association's members, an individual director shall not be removed prior to the expiration of his term of office if the number of votes cast against his removal is greater than the quotient arrived at by dividing the total number of votes that may be cast by the authorized number of directors. No director, other than the Declarant or Declarant's agent, shall continue to serve on the Board if, during his term of office, he shall cease to be a lot owner.

4.04 Vacancies. Vacancies in the Board caused by any reason other than the removal of a director by vote of the members shall be filled by a 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 owners' Association or at a special meeting of the members called for that purpose.

ARTICLE 5 MEETINGS OF DIRECTORS

5.01 Regular Meetings. Regular meetings of the Board shall be conducted at least quarterly at a time and place within or near the Project as maybe fixed by the Board Notice of the tune and place of regular meetings shall be given to each director personally or by mail or telephone at least ten (10) days prior to the day named for the meeting and shall also be posted at a prominent place or places within the Common Elements.

5.02 Special Meetings. A special meeting of the Board may be called by written notice signed by the president of the Owners' Association or by any two (2) directors other than the President. Notice shall be provided to all directors and posted in the common Elements in the manner prescribed for notice of regular meetings at least two (2) days prior to the Date of the meeting and shall include a description of the nature of any special business to be considered by the Board.

5.03 Waiver of Notice. Before or at any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to that director. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place of the meeting.

5 04 Quorum The presence in person of a majority of the directors at any meeting of the Board shall constitute a quorum for the transaction of business and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn from time to time. At any such subsequent meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

5.05 Adjournment: Executive Session. The Board may, with the approval of a majority of a quorum of the directors, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Owners' Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

5.06 Board Meetings Open to Members. Regular and special meetings of the Board shall be open to all members of the Owners Association; provided, however, members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by vote of a majority of a quorum of the Board.

5.07 Managing Agent and/or Manager. The Board may employ for the Project a managing agent and/or manager at a compensation established by the Board to perform such duties and services as the Board shall authorize.

5.08 Fidelity Bonds. The Board shall attempt to obtain adequate fidelity bonds for all officers and employees of the Project handling or responsible for Project funds. The premium for such bonds shall constitute a common expense.

5.09 Compensation. No member of the Board shall receive any compensation from the Owners' Association or lot owners for acting on such.

5.10 Liability of the Board of Directors. The members of the Board shall not be liable to the lot owners for any mistake of judgment, negligence or otherwise except [or their own individual willful misconduct or bad faith. The lot owners shall indemnify and hold harmless each of the members of the Board against all contractual liability to others arising out of contracts made by the Board on behalf of the Owners' Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration of covenants and Restrictions or of these By-Laws. It is intended that the members of the Board shall have no personal liability with respect to any contract made by them on behalf of the Owners' Association or the Project. It is understood and permissible for the original Board, who are members of or employed by Declarant, to contract with the Declarant and affiliated corporations without fear of being charged with self dealing. It is also intended that the liability of any lot owner arising out of any contract made by the Board or out of the aforesaid indemnity in favor of the members of the Board shall be limited to such proportion of the total liability thereunder as his interest in the Common elements bears to the interests of all the lot owners in the Common Elements. Every agreement made by the Board or by the managing agent or by the director on behalf of the Owners' Association shall provide that the members of the Board, or the managing agent or the manager, as the case may be, are acting only as agents for the lot owners and shall have no personal liability thereunder (except as lot owners) and that each lot owner's liability thereunder shall be limited such proportion of the total liability thereunder as his interest in the Common Elements bears to the interest of all lot owners in the Common Elements.

ARTICLE 6 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 Powers and Duties. The Board shall have the powers and duties necessary for the administration of the Property and may do all such acts and things except as by law or by the Declaration of Covenants and Restrictions or by these By-Laws may not be delegated to the Board by the lot owners. Without limitation on the generality of the foregoing powers and duties, the Board shall be vested with, and responsible for, the following powers and duties.

(a) To select, appoint, supervise and remove all officers, agents and employees of the Owners' Association; to prescribe such powers and duties for them as may be consistent with law and with the Articles of Incorporation of Olde Stonebridge Owners' Association, Inc. the Declaration of Covenants and Restrictions and these By-Laws; and to require from them security for faithful service when deemed advisable by the Board;

(b) To enforce the applicable provisions of the Declaration of Covenants and Restrictions, these By-Laws and other instruments relating to the ownership, management and control of the Project;

(c) To adopt and publish rules and regulations governing the use of the Common Elements and facilities and the personal conduct of the members and their guests thereon and to establish procedures and penalties for the infraction thereof, subject to approval of the membership;

(d) To pay all taxes and assessments which are or could become a lien on the Common Elements or a portion thereof;

(e) To contract for, casualty, liability and other insurance on behalf of the owners' Association as provided in the Declaration of Covenants and Restrictions;

(f) To cause the Common Elements to be maintained and to contract for goods and/or services for the Common Elements for the Owners' Association, subject to the limitations set forth in this Article;

(g) To delegate its powers to committees, officers or employees of the Owners' Association or to a management company pursuant to a written contract as expressly authorized by the Declaration of Covenants and restrictions and these By-Laws;

(h) To prepare budgets and financial statements for the Owners' Association as prescribed in these By-Laws;

(i) To initiate and execute disciplinary proceedings against members of the Owners' Association for violations of the provisions of the Declaration of covenants and Restrictions, these By-Laws and such rules as may be promulgated by the Board in accordance with procedures set forth in these By-Laws;

(j) To enter upon any privately owned lot as necessary in connection with inspection, construction, maintenance, enforcement or emergency repair for the benefit of the Common Elements of the owners;

(k) To borrow money and incur indebtedness for purposes of the Owners Association and to cause to be executed and delivered therefor in the Owners' Association's name a promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation's or other evidences of debt and securities therefor;

(l) To fix and collect regular and special assessments according to the Declaration of Covenants and Restrictions and these By-Laws and, if necessary, to record a notice of assessment and foreclose the lien against any lot for which an assessment is not paid within thirty (30) days after the due date or bring an action at law against the owner personally obligated to pay such assessment. All reserves for capital expansion, repair and maintenance shall be transferred to and held in a trust fund or funds for such purpose established by a vote of a majority of members and shall be expended only in the manner prescribed;

(m) To prepare and file annual tax returns with the Federal Government and the State of Oklahoma and to make such elections as may be necessary to reduce or eliminate the tax liability of the Owners' Association. Without limiting the generality of the foregoing, the Board may, on behalf of the Owners' Association, elect to be taxed, if possible, under Section 528 of the Internal Revenue Code or any successor statute conferring income tax benefits on owners' associations. In connection therewith, the Board shall take such steps as are necessary to assure that the income and expenses of the Owners' Association for any taxable year shall meet the following limitations and restrictions;

(n) At least eighty percent (80%) of the gross income of the Owners Association for any taxable year shall consist solely of amounts received as membership dues, fees or assessments from lot owners.

(o) At least ninety percent (90%) or more of the expenditures of the owners' Association for any taxable year shall be for the acquisition, construction, management, maintenance and care of the Owners' Association's Property;

(p) No part of the net earnings of the Owners' Association shall inure (other than by acquiring, constructing or providing management, maintenance and care of the Owners' Association's Property and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any private individual;

6.02 Limitation of the Board's Power. Except with the vote or written assent of a majority of the voting power of the owners Association residing in members other than Declarant, the Board shall be prohibited from taking any of the following actions:

(a) Incurring aggregate expenditures for capital improvements to the Common Elements in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Owners' Association for that fiscal year.

(b) Selling during any fiscal year Property of the Owners' Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Owners' Association for that fiscal year.

(c) Paying compensation to directors or to officers of the Owners' Association for services performed in the conduct of the Owners' Association's business provided, however, that the Board may cause a director or officer to be reimbursed for expenses incurred in carrying on the business of the Owners' Association.

(d) Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Elements or the owners' Association for a term longer than one (1) year with the following exceptions:

1. Management contract;
2. A contract with public utility company if the rates charged for the materials or services are regulated by the Corporation Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;
3. Prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration provided that the policy permits for short rate cancellation by the insured;
4. Any agreement for professional management of the Project or any other contract providing for services by Declarant shall provide for termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice and shall provide for a maximum contract term of three (3) years.

ARTICLE 7 OFFICERS AND DUTIES

7.01 Enumeration and Term. The officers of this Owners Association shall be a president and vice-president, who shall at all times be members of the Board, a secretary, treasurer and such other officers as the Board may from time to time by resolution create. The officers shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

7.02 Election of Officers. Except as to the initial officers who shall be elected by the Board appointed by the Declarant as herein provided, the election of officers shall take place at the first meeting of the Board following each annual meeting of the members.

7.03 Resignation and Removal. Any officer may be removed from office by a majority of the Board at any time with or without cause. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignations shall take effect on the date of receipt of such notice or at any later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

7.04 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

7.5 Multiple offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to this Article.

7.6 Duties. The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board and the owners' Association (members); shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks (unless the authority to sign checks in the ordinary course of the owners' Associations' business has been delegated to a management company as provided in these By-Laws) and promissory notes.

(b) Vice-President. The vice-president shall act in the place and stead of the president in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

(c) Secretary-Treasurer. The secretary-treasurer shall record the votes and keep the minutes of all meetings and proceeding 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 owners' Association, together with their addresses; receive and deposit in appropriate bank accounts all moneys of the Owners' Association and shall disburse such funds as directed by resolution of the Board, shall co-sign all check- and promissory notes of the Owners' Association; keep proper books of accounts and prepare or have prepared financial statements as required in these By-Laws; and shall perform such other duties as provided by the Board The duty of the secretary treasurer to receive and deposit funds and to sign checks in the ordinary course of the Owners' Associations business may be delegated to a management company as provided in these By-Laws.

7.07 Compensation of Officers. No officer shall receive any compensation from the owners Association or lot owners for acting as such.

ARTICLE 8 MAINTENANCE AND ASSESSMENTS

Pursuant to the procedures and guidelines as set forth in the Declaration of Covenants and Restrictions, the Board shall levy, collect and enforce regular and special assessments for the operation of the owners, Association and for management, maintenance and operation of the Common Elements, the assessments shall be used exclusively to promote the recreation, health, safety and welfare of all residents in the entire Project for improvement and maintenance of the common Elements for the common good of the Project. Regular assessments shall include an adequate reserve fund for maintenance, repairs and replacements of the Common Elements.

ARTICLE 9 DISCIPLINE OF MEMBERS: SUSPENSION OF RIGHTS

The Owners' Association shall have no power to cause a forfeiture or abridgment of an owner's right to the full use and enjoyment of his individually owned lot on account of a failure by the owner to comply with provisions of the Declaration of Covenants and Restrictions, these By-Laws or of duly enacted rules of operation for the Common Elements and facilities, except where the loss or forfeiture is the result of the judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the owner to pay assessments levied by the Owners Association. Notwithstanding the foregoing, the Board shall have the power to impose reasonable monetary penalties, temporary suspensions of an owners' rights as a member of the Owners' Association or other appropriate discipline for failure to comply with the Declaration of Covenants and Restrictions, these By-Laws or duly enacted rules; provided that an owner subject to such possible penalties shall be given reasonable notice and the opportunity to be heard by the Board with respect to the alleged violations before a decision to impose discipline is reached. In the case in which monetary penalties are to be imposed, such penalties shall be according to a schedule of penalties related to specific offenses, which schedule shall be proposed by the Board and approved by the vote or written assent of a majority of the voting power of each class of membership. Such penalties shall bear a reasonable relationship to the conduct for which the penalty is imposed and may only be imposed prospectively.

ARTICLE 10 BUDGETS, FINANCIAL STATEMENTS, BOOKS AND RECORDS

10.1 Budgets and Financial Statements. Financial statements for the Owners' Association shall be regularly prepared and copies shall be distributed to each member of the Owners' Association as follows:

(a) A pro forma operating statement (budget) for each fiscal year shall be distributed not less than sixty (60) days before the beginning of the fiscal year.

(b) A balance sheet (as of an accounting day which is the last day of the month closest in time to twelve (12) months from the date of closing of the first sale of a lot in the Project to an individual buyer) and an operating statement for the period from the date of the first closing to the said accounting date shall be the date of the first closing to the said accounting date shall be distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the lot and the name of the lot owner assessed.

(c) A balance sheet as of the last day of the Owners' Association's fiscal year and operating statement for said fiscal year shall be distributed within ninety (90) days after the close of the fiscal year.

(d) In the event a holder, insurer or guarantor of any first mortgage that is secured by a lot in the Project submits a written request therefor, the Owners Association will provide an audit statement for the preceding fiscal year.

10.2 Fiscal year. The fiscal year of the Owners' Association shall be designated by resolution of the Board. In the absence of such resolution, the fiscal year shall be the calendar year.

10.03 Inspection of Owners' Association's Books and Records. The membership register, books of account and minutes of meetings of the members, of the Board and of committees of the Board or owners, Association shall be made available for inspection and copying by any member of the Owners' Association or by his duly appointed representative at any reasonable time and for a purpose reasonably related to his interest as a member at the office of the Owners Association or at such other place within the Project as the Board shall prescribe. Such inspection may take place on weekdays during normal hours following at least forty-eight (48) hours written notice to the Board by the member desiring to make the inspection. Any member desiring copies of any document shall pay the reasonable cost of reproduction. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Owners' Association and the physical properties owned or controlled by the Owners' Association. The right of inspection by a director includes the right to make extracts and copies of documents.

ARTICLE 11 AMENDMENT OF BY-LAWS

Except as may be provided otherwise in these By-Laws, the By-Laws may be amended by a vote or written assent of owners of at least two-thirds (2/3rds) of the aggregate interest in the Common Elements as established by the Declaration of Covenants and Restrictions; provided, however, that each of the particular requirements set forth in 60 Okla. Stat. SS 851 through 855, inclusive, as it now reads or may be hereafter amended shall always be embodied in the By-Laws. Such modification or amendment shall not become operative unless set forth in an amended Declaration of Covenants and Restrictions and duly recorded in the office of the County Clerk of Cleveland County, Oklahoma.

ARTICLE 12 MISCELLANEOUS PROVISIONS

12.01 Regulations. All owners, tenants or their employees or any other person that might use the facilities of the Project in any manner are subject to the regulations set forth in these By-laws and in the Project documents and to all reasonable rules enacted pursuant to the Declaration of Covenants and Restrictions. Acquisitions, rental or occupancy of any lot shall constitute acceptance and ratification of the provisions each of the foregoing.

12.02 Indemnity of Officers and Directors. Each director and officer shall be indemnified by the Owners' Association against all expenses and liabilities, including attorneys fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a director or an officer of the owners' Association, except in cases of fraud, gross negligence or bad faith of the director or officer in the performance of his duties.

12.03 Committees. In addition to the Design Review Committee, the Board shall appoint such other committees as deemed appropriate in carrying out its purpose.

12.04 Notices. Any notice permitted or required to be given by the Project documents may be delivered either personally or by mail or as otherwise specifically provided in the Project documents. If delivery is by mail, it shall be deemed to have been given seventy-two (72) hours after a copy of the same has been deposited in the U.S. Mail, postage prepaid, return receipt requested, addressed to each person at the current address given by such person to the secretary of the Owners' Association or addressed to the lot of such person if no address has been given to the secretary; provided, however, that notice of regular or special meetings of members may be mailed without a return receipt. Provided further that notice to members of the Design Review Committee may be addressed to such individuals c/o Olde Stonebridge Owners' Association.

ARTICLE 13 OBLIGATIONS OF THE OWNERS

13.01 Assessments.

(a) Assessments. Assessments shall be due yearly in advance on the first day of each year. After yearly assessments have been set by the Board, the Board shall prepare and deliver or mail to each owner an individual statement of the owner's yearly assessment; thereafter, yearly statements shall be prepared and delivered or mailed annually, or more often in the event of a change in the assessment of the levying of a special assessment and/or if deemed desirable or necessary by the Board.

(b) Basis for Assessments. The assessments made for common expenses shall be based upon the estimated cash requirements as the Board determines is to be paid by all of the owners, including the Declarant, to provide for the payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations and improvements of and to the Common Elements, which may include, but shall not be limited to, expenses of management; taxes and special assessments until separately assessed; premiums for fire insurance with extended coverage and vandalism and malicious mischief (with endorsements issued in the amount of the maximum replacement value of all of the Common Elements); casualty and public liability and other insurance premiums; landscaping and care of grounds; repair and replacement of the entrance gate; common lighting; repairs and renovations; removals of pollutants and trash collections; wages, utility charges for Common Elements; beautification and decoration; professional fees, including legal and accounting fees, management fees, expenses and liabilities incurred by the managing agent or Board on behalf of the owners under or by reason of the Declaration of Covenants and Restrictions and the By-Laws of the owners, Association; for any deficit arising or any deficit remaining from a previous period; the creation of a reasonable contingency fund, reserves, working capital and sinking funds as well as other costs and expenses relating to the Common Elements. In the event the cash requirements for Common Elements exceed the aggregate assessments made pursuant to this Article, the Board may from time to time and at any time make pro rata increases; or decreases in the yearly assessments and/or shall be authorized to change the frequency of assessments. The omission or failure to fix the assessment for any period shall not be deemed a waiver, modification or a release of the owner from their obligations to pay the same.

(c) Special Assessments. In addition to those assessments described in paragraph (a) above, special assessments may be made from time to time by the Board to meet other needs or to construct or establish facilities deemed of benefit to the Owners' Association and the owners by the Board or to overcome deficits in the operating budgets; however, there shall be no special assessments for additions, alterations or improvements of or to the Common Elements requiring a total expenditure by the Owners' Association in excess of \$10,000.00 in any one calendar year without the prior approval of 3/4 of the owners. Such limitations shall not be applicable, however, to special assessments for the replacement, repair, maintenance or restoration of any Common Elements which are to be paid for by the owners' Association according to the Declaration of Covenants and Restrictions and these By-Laws.

(d) Owner's Personal Obligation for Payment of Assessments. The amount of total assessments against such lot shall be the personal and individual debt of the owner thereof. The Board shall have the responsibility to take prompt action to collect any unpaid assessment in accordance with the terms of the Declaration of Covenants and Restrictions.

(e) Initial Assessment. There will be a one time special assessment in the amount of Three Hundred Dollars. (\$300.00) and will be paid for as follows: This amount will be paid by the buyer of a lot at the time of possession or closing, whichever is first. This assessment will be assessed at each transfer of title by the association against the purchaser and is in addition to the regular yearly assessment of the association. No amount of this assessment fee will be refunded or transferred to any other buyer, but instead becomes the property of the association account and subject to the governing rules pertaining to the By-Laws of Olde Stonebridge Owners Association, Inc. This assessment will be assessed to all transfers for consideration, without regard to whether the lot being purchased is an "Improved Lot" or "Unimproved Lot". This is not to include the transfer of any "Common Area" property for the use by the association.

ESTABLISHMENT OF BY-LAWS

The undersigned, being the Declarant and all of the directors appointed by Declarant and the incorporators of the corporation, pursuant to the Declaration of Covenants and Restrictions of OLDE STONEBRIDGE HOMEOWNERS' ASSOCIATION, INC. and the Certificate of Incorporation, do hereby certify the foregoing to be the By-Laws of OLDE STONEBRIDGE HOMEOWNERS' ASSOCIATION, INC. and by our signatures do hereby adopt the foregoing By-Laws as of the ____ day of _____, 1997

.Joe Alexander
Charles R. Cotton

EXHIBIT "B" ARCHITECTURAL AND DESIGN RULES ADOPTED BY THE DESIGN REVIEW COMMITTEE OF OLDE STONEBRIDGE

The following uses and restrictions are hereby adopted by the Design Review Committee as a guide for the review and approval of any Improvement upon any Lot or Commons. These rules are intended as a guide to the Design Review Committee in order to maintain the harmony, character and charm of Olde Stonebridge and to enhance the value of each Lot and the neighborhood as a whole. The rules may be amended at any time as provided in the Declaration of Covenants and Restrictions of Olde Stonebridge.

a. Submission of Plans for Approval. No construction or erection of any nature whatsoever shall be commenced or maintained upon any Lot or the Common Elements (except as is installed or approved by the Declarant in connection with the initial construction of structures or buildings on the property) nor shall any exterior addition to, or change or alteration thereon, be made unless and until one (1) set of the plans and specifications showing the nature, kind, shape, color, height, materials and location of the same shall have been submitted to the Design Review Committee and approved as to the harmony of external design and location in relation to surrounding structures and topography, in writing by the Design Review Committee. Samples of exterior building materials (i.e. brick, stone, roofing, paint, siding and trim) shall be presented to the Design Review Committee along with the plan and specifications.

b. Security Systems. If the Resident of a Lot installs a security system such system shall be compatible with the security system utilized at the front entry. The cost, installation, maintenance, repair and replacement of such system shall be the responsibility of the owner. The Design Review Committee shall have the right to specify the minimum configuration, characteristics, and compatibility of such system for each Lot.

c. Landscaping. The Owner of each Lot shall be required to expend the minimum sum of 1 1/2% of the total cost of the Home and Lot for trees and shrubs or perennial plants to be placed on each Lot owned. The expenditure must be made and the trees and shrubs planted within one year after the date a certificate of occupancy is issued for the Lot, unless an extension is approved by the Lot, unless an extension is approved by the Design Review Committee. The size, description and location of each tree or shrub intended to qualify for the minimum expenditure shall require the written approval of the Design Review Committee. No amount paid for grass, dirt, sprinkler systems, etc. shall qualify for this minimum expenditure.

d. Floodlights and Landscape Lighting. Outdoor floodlights and landscape lighting must be approved by the Design Review Committee and must not be offensive to adjoining property.

e. Architectural Styles. Architectural Styles of homes in Olde Stonebridge should project a traditional, timeless look influenced by historical architectural character. Acceptable styles may include, but are not limited to the following:

Country French - Georgian Design - French Colonial - Cape Cod -Williamsburg - Acadian
Victorian - Country Farm House - Federal Design

Architectural Styles not acceptable include Contemporary, Underground and North Dallas Look (gabled look with fancy brick work). The Design Review Committee shall have the ultimate authority and discretion in approving the architectural styles of structures in Olde Stonebridge and may in this regard make the final determination whether the style of home proposed is in harmony with the atmosphere of the development and in conformity with the intent of the Design Review Committee.

f. Roof Construction. In addition to the approval of the Plans and Specifications for construction of buildings and structures on any Lot, all roofs and roof materials shall be specifically submitted, by separate letter, to the Design Review Committee for their review and written approval prior to construction of the structure or installation of roofing material. Acceptable roofing materials shall include, but not be limited to, high profile long term (40 year rated asphalt) composition shingles, fire retardant red cedar shake shingles, slate shingles, concrete tile shingles, or other top quality roofing materials approved by the Design Review Committee. Valleys must be copper or painted metal.

g. Fences, Swimming Pools Fences, Dog Runs and Retaining Walls and Bulk Ends. All fences which project from a Residence toward the side Lot line and all perimeter or exterior fences adjacent to or facing the street shall be constructed of brick, stone, PVC rail or pickets, wrought iron, landscape, or other material approved by the Design Review Committee and must carry out the architectural scheme of the structure. All other fences not visible from the street shall be constructed of the above mentioned materials provided however, that solid wood capped fences with brick columns are acceptable if approved by the Design Review Committee. Chain link and stockade fences are prohibited except that dog runs or pens may be constructed of chain link fence and must not be visible from neighboring property or from Common Areas Lot "A" and shall not be less than 75 feet from any neighboring dwelling area or out door patio or living areas. Lot owners may also construct underground electric fence to contain domestic pets. Any domestic containment area that is outside the resident must be approved in writing by the design Review Committee. All fences which project from a Residence toward the side Lot line and all perimeter or exterior fences shall not exceed a height that exceeds thirty six inches (36'). Design Review Committee may make a variance to this requirement so long as all owners of neighboring lots with a view of the fence that a height variance is being requested, sign a letter of acceptance. However, the final approval of the variance shall be the sole decision of the Design and review Committee, It being the intent of the Declarant and Design Review Committee that no fencing shall obstruct the view in the "Visual Enhancement Areas" (see plat). Swimming Pool areas maybe fenced with the described and approved fences to a height of forty eight inches (48') or to the required height to me minimum safety requirements. The pool area shall be that area consisting of the pool and actual deck or hard surface areas of the actual pool area. Retaining walls and Bulk-ends must be faced on all sides visible from any street with brick or stone or other approved material. No fence or retaining wall shall be constructed or installed until the location, design, material and quality of same shall have been approved by the Design Review Committee.

h. Construction Period. Upon commencement of excavation for construction on any Lot or Lots in this plat, the work must be continuous, weather permitting, until the Residence and other Improvements are completed. No delay in the course of construction within a period of fourteen (14) months will be permitted unless further extension of time for the completion of said Residence and Improvements is given by Declarant. If no such consent is given the Declarant or its designee may, but shall not be obligated to complete such construction.

i. Roof Pitch. Roof pitch minimum shall be 5/12 pitch.

j. Structure. Footing and stem foundation construction is required. No exposed stem walls and/or concrete. Declarant herein disclose that no lot in the Olde Stonebridge Development has had any control ground compaction or ground testing, and further discloses that suggested floor elevations have been established for each lot and is recorded on the final plat. Declarant is not responsible for any other improvements to lots other than completion or roadways to and in front of the lot.

k. Sprinkler System. Sprinkler systems are not required.

l. Pool Cabanas and Detached Buildings. No metal buildings, tents, trailers, or temporary structures shall be permitted to be erected or maintained within the Project. Provided, however, pool cabanas, studios, guest cottages, and other outbuildings may be constructed and maintained after the plans, specifications, design and location of same have been approved in writing by the Design Review Committee. Such structures must correspond in style and architecture to the principal residence.

m. Tree houses and playground Equipment. All tree houses, platforms in trees, play towers or other similar structures or equipment shall be approved in writing, prior to construction, by the Design Review Committee. In the event that the Design Review Committee should approve any of above structures, said structure shall be located behind the back building line of the main house and at least twenty five feet from side Lot boundary. Distance for construction of any of the above on back yard boundary lines must be approved by Design Review Committee.

n. Garages. No front entry garages will be permitted without the approval of the Design Review Committee. Garage interiors must be finished with quality materials.

o. Basketball Goals. Basketball goals must be free standing and positioned behind the front line of the residence out of view of the street. Landscape screening would be acceptable. Basketball hoops/goals attached to the home or garages are prohibited. Location of basketball goals must be approved by the design Review Committee.

p. Above Ground Pools. No swimming pools with a capacity of more than 150 gallons of water shall be installed, placed, erected or maintained above the surface of the ground of any Lot.

q. Windows. All windows used in Olde Stonebridge are not required to be, but may be constructed of wood frames and sashes. Exterior finish shall be painted wood or clad in either aluminum or vinyl. True divided light windows are the appearance that is being sought by the Design Review Committee. Variances maybe granted by the Design Review Committee.

r. Erosion Control. During construction of any improvements on any Lot, erosion control must be maintained by the owner/Builder to control runoff onto the street, common areas, or adjoining property.

s. Trash Control During Construction. During construction of any improvements on any Lot, the Owner/Builder must control trash so that it does not blow off the property. The building site/Lot must be cleaned after each of the following stages of construction:

- 1) Framing
- 2) Roofing
- 3) Sheetrocking
- 4) Bricking
- 5) Final clean-up

All construction trash and Debris shall be placed in containers or must have a designated area on the lot site so as to cause no construction material or trash be blown by wind or other reasons to other lots. No container or trash areas shall be visible from the roadways.

t. Mailboxes. Each home must have a decorative mailbox set next to the street, approved by the Design Review Committee.

u. Chimneys. Chimneys will be of brick, stone or other material approved by the Design Review Committee.

v. Yard Ornaments. No sculpture or lawn ornaments of any kind will be permitted in yards visible from the street without the written consent of the Design Review Committee.

w. Special Considerations.

1. The "Design Review Committee" shall give special consideration to two story homes having windows which might provide a view into neighboring property. To preserve the privacy of neighboring properties, the Design Review Committee may prohibit windows on two story homes which allow a view which disturbs the privacy of neighboring property.

2. The "Design Review Committee" shall have the absolute authority to determine all locations for any and all improvements made to any lot. It is the intent of the Declarant and Design and Review Committee that no Improvements of any kind shall be allowed in the "Visual Enhancement Areas" as shown on the plat of "Olde Stonebridge".

x. Architectural and Design Rules Regarding "Visual Enhancement Areas" It is the intent of Declarant and Design Review Committee to preserve as much of the natural habitat, trees, creeks and open views of the Olde Stonebridge Development. Therefore, no improvements of any kind will be approved that conflict with the basic overall development plans of the Declarant and Design Review Committee.

a. It is the intent herein that back yard views will be protected and left open to all for visual enjoyment.

b. It is the intent that only gazebos, natural arbors, ponds, landscapes, natural foot paths and bridges be in the "Visual Enhancement Areas"

The "Visual Enhancement Areas" as shown on the plat of "Olde Stonebridge" are subject to being enlarged or decreased in size by the Declarant and or Design Review Committee. It is the nature of residential developments to take on different personalities as homes are built and improvements are made to the development, therefor Declarant and Design and Review Committee reserve this right to make changes to preserve the integrity of the development, at their sole discretion.

Section 7.06 Regular and Special Assessment Obligations. Lots and the Owners thereof shall be obligated for any regular assessment or special assessment per Lot made by the Association, provided that notwithstanding anything herein to the contrary, Declarant shall not be required to pay any regular or special assessment, except with respect to any Lot owned by Declarant which is occupied as a Residence. Written notice of any meeting called for the purpose of approving any regular or special assessment requiring Owner approval shall be sent to all Owners not less than 10 days nor more than 30 days in advance of the meeting. At the first meeting called, the presence at the meeting of Owners, or of proxies, entitled to cast sixty percent (60%) of all the votes shall constitute a quorum. If the required quorum is not forthcoming at that meeting, another meeting may be called, after five days written notice, and the required quorum at any such subsequent meeting shall be one-half of the required quorum at the preceding meeting, provided that no such subsequent meeting shall be held more than sixty days following the preceding meeting.

ON APRIL 4, 2004

OLDE STONEBRIDGE HOMEOWNERS' ASSOCIATION MEEING HELD @ 7:00 P.M. AT THE OLDE SCHOOL BUILDING, MOORE OKLAHOMA

VOTE WAS HELD AND PASSED BY A QUORUM TO REVISE THE COVENANTS TO READ:

MAJORITY OF HOMEOWNER ASSOCIATION MEMBERS ATTENDING THE OLDE STONEBRIDGE HOMEOWNER ASSOCIATION MEETING WILL CARRY THE VOTE ON ANY ISSUE BROUGHT TO THE ATTENTION OF THE ASSOCIATION MEMEBERS AT LEAST 10 DAYS IN ADVANCE OF SCHEDULED MEETING. CHANGES TO THE CONTENT/INTENT OF A QUESTION IN THE AGENDA WILL AUTOMATICALLY BE TABLED TO THE NEXT MEETING.

MAJORITY OF HOMEOWNER ASSOCIATION MEMBERS ATTENDING THE OLDE STONEBRIDGE HOMEOWNER ASSOCIATION MEETING WILL CARRY THE VOTE ON ANY ISSUE REGISTERED ON THE ADGENDA BROUGHT TO THE FLOOR OF THE OLDE STONEBRIDGE HOMEOWNERS' ASSOCIATION MEETING.

THIS WAS FILED AT THE CLEVELAND COUNTY CLERK'S OFFICE

JULY 1,2004 1:41:10P.M.

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CHARGE TO FILE \$15.00 RECEIPT # R45I812

Signed by Joe Alexander and Charles Cotton on behalf of Continental Joint Ventures Corp