

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
FALLBROOK
A RESIDENTIAL SUBDIVISION TO THE
CITY OF EDMOND, OKLAHOMA

THIS DECLARATION, made as of the 27th day of August, 2007, by The Roberts Group, LLC, an Oklahoma limited liability company, hereinafter referred to as "Declarant."

WITNESSETH

WHEREAS, Declarant is the owner of certain real estate located in the City of Edmond, Oklahoma County, State of Oklahoma, being a part of the Southwest Quarter (SW/4) of Section 16 and a part of the Southeast Quarter (SE/4) of Section 17, Township 14 North, Range 3 West of the Indian Meridian, Oklahoma County, Oklahoma (the "Property"), as more particularly described in the Plat, appended as Exhibit "A" and incorporated herein by reference, which property has been, or will be in the future, platted into blocks, lots, streets and easements, under the name of Fallbrook I (with later additions to be called Fallbrook II, etc.), an Addition to the City of Edmond, Oklahoma County, Oklahoma, including as part thereof permanent open areas, club house, fitness facilities, swimming pool, improvements, streets and parking areas, buildings and structures erected or to be erected thereon, and other common facilities for the benefit of this particular community;

WHEREAS, Declarant expressly declares its intention to develop Fallbrook and all additions thereto as a single family residential development within the provisions of 60 Okla. Stat. §§ 851 through 855, inclusive, in order to insure the management, maintenance, preservation, improvement and control of commonly owned areas or any portion of or interest in them and to enforce all mutual, common or reciprocal interests in or restrictions upon all portions of such separately owned lots, parcels or areas, and to establish an entity and agency for such purpose and, in addition, to collect and disburse the assessments and charges hereinafter created.

WHEREAS, there was incorporated on the 27th day of August, 2007, under the laws of the State of Oklahoma, as a non-profit corporation, an entity known as Fallbrook Owners Association, Inc. for the purpose of exercising the aforementioned functions.

NOW, THEREFORE, Declarant states and hereby declares that the real property described above, being a part of the Southwest Quarter (SW/4) of Section 16 and a part of the Southeast Quarter (SE/4) of Section 17, Township 14 North, Range 3 West of the Indian Meridian, City of Edmond, Oklahoma County, Oklahoma, shall be held, sold, conveyed and occupied subject to the conditions, covenants, restrictions, dedications, easements, charges and liens (the "Covenants") hereinafter set forth, together with any additional property as may by subsequent amendment be added to and subjected to these Covenants, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the real property. These Covenants shall run with the real property and shall be binding upon, and inure to the benefit of, Declarant and its successors in title, and any and all parties having or acquiring any right, title or any part thereof, whether as sole owner, joint owner, lessees, tenant, occupant, or otherwise, and shall inure to the benefit of each owner thereof. All of the areas in Fallbrook, which are not separately owned lots, shall be owned in common by the owners of the separately owned lots, parcels or areas. In the original Plat of Fallbrook I, appended hereto, the Common Areas shall consist of Blocks A and B, as well as all other improvements and property, both real and personal, located thereon or hereinafter defined as part of the Common Areas and easements for access to repair, replace and maintain the Common Areas.

ARTICLE 1

DEFINITIONS

The following words, when used in this Declaration or any Supplemental Declaration (unless the context shall so prohibit), shall have the following meanings:

1.1. Articles. "Articles" shall mean the duly adopted Articles of Incorporation of the Association, as the same may be amended from time to time.

1.2. Assessments. "Assessments" shall mean that portion of the cost of maintaining, improving, repairing, insuring, operating and managing the Property which is to be paid by each separate Owner as determined by the Association.

1.3. Association. "Association" shall mean and refer to Fallbrook Owners Association, Inc., a non-profit corporation incorporated under the laws of the State of Oklahoma, its successors and assigns.

1.4. Association Fence. "Association Fence" shall mean the fence constructed and installed by Declarant on the Common Area appurtenant to the pool facility, the masonry wall appurtenant to the entry gate on Covell Road and the entrance/security gate.

1.5. Board of Directors. "Board of Directors" or "Board" shall mean the Board of Directors of the Association.

1.6. Building. "Building" shall mean one or more of the buildings or structures located or to be located on the Property.

1.7. Bylaws. "Bylaws" shall mean and refer to the Bylaws of the Association, as such Bylaws may be amended from time to time.

1.8. Common Areas. "Common Areas" means the following elements of the Property:

- a. Blocks A and B, as described on the Plat, and all of the area included within the platted area on the Plat that is not included in the numerically identified lots to be separately owned, inclusive of all improvements located thereon, which are owned, leased or controlled by the Association for the common use and enjoyment of members of the Association.
- b. Parking areas not located on a Lot, and all streets or roadways, parking structures, storage areas and facilities not located on a Lot.
- c. Those installations of central services including power, common lighting, gas, irrigation, water service up to its connection to a Lot, and all utilities servicing Common Areas.
- d. All equipment, entry gates, apparatus and installations existing or installed for common use.
- e. All other parts of the Property necessary or convenient to the existence, maintenance and/or common use of the Common Areas.

1.9. Common Expenses. "Common expenses" means the following:

- a. Expenses of administration, maintenance, repair or replacement of Common Areas, including maintenance, repair and replacement of streets, the Association Fence and all improvements, lawns and landscaping located on the Common Area.

- b. Amounts deposited in the Reserve Fund for maintenance, repair, and replacement of the Common Areas, as required by Section 6 of Article 5 of this Declaration.
- c. Expenses agreed upon as common by Lot Owners acting through the Association in accordance with the Bylaws.
- d. Expenses declared common by the provisions of this Declaration or by the Bylaws.

1.10. Common Profit. "Common profit" means the balance of all income, rents, profits and revenues from the Common Areas and Association dues and Assessments remaining after the deduction of the common expenses.

1.11. Declarant and Developer. "Declarant" and "Developer" means the undersigned, and its successors and assigns for purposes of development of the Property..

1.12. Lot. "Lot" shall mean any one of the separately identified parcels of real property, numerically described and designated as a Lot on the Plat appended as Exhibit "A", or any additional Plat filed by Declarant on lands annexed hereto.

1.13. Member. "Member" shall mean and refer to an Owner of a Lot, a Builder (as defined hereafter) and Declarant. All owners other than Class B Members and the Declarant, are Class A Members; Builders shall be Class B Members (unless a Builder shall occupy a Residence on a Lot); Declarant shall be the Class C Member.

1.14. Owner. "Owner(s)" shall mean the record owner, whether one or more persons or entities, of legal title to any Lot which is or may become a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation. Each Owner shall be a Member of the Association.

1.15. Person. "Person" means an individual, corporation, partnership, association, trust or other legal entity, or any combination thereof.

1.16. Plat. "Plat" shall mean each and every Plat filed by the Declarant and recorded in the records of the County Clerk of Oklahoma County, Oklahoma, which covers all or any portion of the Property.

1.17. Property. "Property" or "Fallbrook" means and includes the land, the buildings, all improvements and structures thereon, and all easements, rights, and appurtenances belonging thereto, together with all personal property intended for use in connection therewith, which may be zoned and platted by Declarant for single family residential purposes within the Southwest Quarter (SW/4) of Section 16 and/or the Southeast Quarter (SE/4) of Section 17, Township 14 North, Range 3 West of the Indian Meridian, Oklahoma County, Oklahoma, the initial development phase being more specifically described on the Plat appended hereto, or appurtenant lands thereto which are annexed to the above-described property and/or brought within the jurisdiction of and subject to assessment by the Association by declaration of the Declarant.

1.18. Residence. "Residence" shall mean an improvement constructed for occupancy by a single family located on one Lot. Each Residence shall be constructed in conformity with the architectural and design standards set forth herein or in the Bylaws appended hereto as Exhibit "B" and made a part hereof.

1.19. Residential Use. "Residential Use" shall mean the occupation or use of a Residence in conformity with this Declaration and the requirements imposed by applicable zoning laws or other state, county or municipal rules and regulations.

1.20. Single Family. "Single Family" shall mean one or more persons each related to the other by blood, marriage, legal adoption or legal guardianship, or a group of not more than three persons not all so related, who maintain a common household in a Residence. Single Family shall also include domestic servants who maintain a common household in a Residence.

ARTICLE 2

FUTURE INTENT

2.1 Future Additions. Although the Plat appended to this Declaration includes only a portion of the Property, it is the intention of the Declarant that all tracts owned by Declarant within the Southwest Quarter (SW/4) of said Section 16 and/or the Southeast Quarter (SE/4) of said Section 17, whenever platted for residential development as a part of Fallbrook, shall be subject to this Declaration, such that the Owners of the Lots in such additions shall be Class A Members of the Association. The Declarant, its successors or assigns, will continue as the sole Class C Member of the Association. Declarant, either within the plats to be filed and/or through amendment of this Declaration, shall also describe and convey any additional Common Areas to be owned by the Association. During its existence, the Association will include, as Members, every Owner of a lot zoned for single family residential use within the said Southwest Quarter (SW/4) of Section 16 and/or the said Southeast Quarter (SE/4) of Section 17, which is, or may in the future be, platted by Declarant as a residential lot within Fallbrook, or any additions thereto (i.e., Fallbrook II, etc.).

If, within twenty (20) years of the date of incorporation of the Association, Declarant or its development successors or assigns should develop additional lands within, or appurtenant to, the said Southwest Quarter (SW/4) of Section 16 and/or the said Southeast Quarter (SE/4) of Section 17, such additional lands may be annexed to the Property and subjected to these Covenants without the consent of the Members.

Each Member of the Association will be subject to its Articles of Incorporation, Bylaws, rules and regulations, as from time to time established and/or amended. The Common Areas which will be owned by the Association, as reflected on the Plat appended hereto, may ultimately include other lands within the said Southwest Quarter (SW/4) of Section 16 and/or the said Southeast Quarter (SE/4) of Section 17 which are not included or identified on the appended Plat.

ARTICLE 3

DESCRIPTION OF PROJECT, DIVISION OF PROPERTY, AND CREATION OF PROPERTY RIGHTS

3.1. Division of Property. The Property is hereby divided into the following separate freehold estates:

- a. **Lots.** The Lot designations and statement of location and immediate area to which any Lot has access and any other data necessary for its proper identification are graphically described on the Plat.
- b. **Common Areas.** The remaining portion of the Property, referred to herein as "Common Areas", including Blocks A and B, as graphically described on the Plat. The common area is deemed appurtenant to each Lot and is declared to be permanent in character and cannot be separated from the Lot to which it is appurtenant. Each Owner may use the Common Area in accordance with the purposes for which it is intended without hindering the exercise of or encroachment upon the rights of any other Owner.

3.2. Conveyance of Common Areas and Dedication of Easements. Declarant, in consideration of the benefits to be derived from this development, the receipt and sufficiency of which is acknowledged, hereby grants, bargains, sells and conveys to Fallbrook Owners Association, Inc., its successors and assigns, all of it right, title and interest in and to the Common Areas within Fallbrook, being more specifically described as Blocks A and B, as described on the Plat, including all roadways and streets, as described on the Plat, and an easement for access to, construction on, and maintenance of, all Common Areas, as defined herein, less and except all oil, gas and other minerals, easements, restrictions, rights-of-way, conveyances and zoning ordinances of record. Declarant grants to the City of Edmond and City of Oklahoma City an easement over and across the Common Areas for the purpose of a fire lane and other emergency services and use for police protection purposes, and for garbage and utility services. Declarant further dedicates all easements shown on the Plat to the use of the public for public utility purposes and in this connection does authorize any franchised utility company,

including the City of Oklahoma City and City of Edmond, to use so much of the Common Areas for utility purposes as is needed to install, repair and maintain water lines, sewer lines, electric lines, gas lines, cable lines and telephone lines.

3.3. Lots Subject to Restrictions. All Lots in Fallbrook shall be acquired, transferred, assigned or conveyed subject to the easements, conditions, restrictions and covenants of ownership set forth in these Covenants and in the Bylaws appended hereto, as same may be amended from time to time.

3.4. Owners' Easements of Enjoyment. Every Owner has the right and easement of enjoyment in and to the entire Common Area which shall be appurtenant to and shall pass with the title to every Lot, subject to the right of the Association to control and limit the use of the Common Areas as provided in this Declaration, the Plat, the Bylaws and the rules and regulations of the Association and its committees, including the Building Committee. The Declarant, its successors, assigns and grantees, covenant and agree that the undivided interests in the Common Areas, and the exclusive easements of the Common Areas, and the fee simple title to the respective Lots conveyed herewith shall not be separately conveyed and each such undivided interest and exclusive easement shall be deemed to be conveyed or encumbered with its respective Lot even though the description in the instrument of conveyance or encumbrance may refer only to the fee simple title to the Lot.

3.5. Conveyance or Mortgage of Common Areas. The Common Areas have been conveyed by Declarant to the Association. The Association shall have no right or authority to convey or mortgage the Common Area, or any portion thereof, without the consent of the Class C Member and the consent of at least 67% of the Class A Members. Provided, any such conveyance or mortgage shall be expressly subordinate to the easement in favor of any Lot Owner whose ingress or egress from a Residence is through the Common Area to be conveyed or mortgaged.

ARTICLE 4

ASSOCIATION, ADMINISTRATION, CLASSES OF MEMBERS AND VOTING RIGHTS

4.1. Association to Manage Property. The administration of the Property shall be governed by these Covenants and the Bylaws of the Association, a true copy of which shall be available for inspection by all Owners at the offices of the Association. Each Owner shall comply strictly with these Covenants and the Bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be amended from time to time.

4.2. Membership. The Association shall be composed of all of the Owners of separate Lots as same are hereinabove described. Membership in said Association shall be appurtenant to, and may not be separated from, ownership of any Lot, even though such interest and membership is not expressly mentioned in the deed or other instrument of conveyance. Ownership of a Lot shall be the sole qualification for membership in the Association.

4.3. Classes of Members. The Association shall consist of Class A, Class B and Class C Members.

- a. **Class A Members.** Class A Members shall be all those Owners of single-family residential Lots with the exception of Builders and Declarant. Each Class A Member shall be entitled to one vote for each Lot in which he holds the interest required for membership as set forth herein. When more than one person holds such interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. Class A Members shall also include Owners of Lots in additions which may be developed, platted and subjected by Declarant to the provisions of these Covenants by future amendment of these Covenants or otherwise.
- b. **Class B Members.** Class B Members shall be Builders, who have purchased, or contracted with Declarant to purchase a Lot or Lots. If a Builder occupies a Residence on a Lot, the Builder, as to such Lot, shall be a Class A Member.

- c. **Class C Members.** The Class C member(s) shall be the Declarant. The Class C member(s) shall be entitled to six (6) votes for each Lot in which it holds the interest required for membership as set forth herein. The Class C membership shall cease to exist when Declarant (i) owns less than 5% of the Lots in Fallbrook, including all additions which may be annexed to Fallbrook or subjected to this Declaration as provided herein; or (ii) August 30, 2017, whichever event is later. When Class C Membership terminates, Declarant shall be a Class A Member in relation to any Lots owned by Declarant.

4.4. **Voting.** The proportionate representation for voting purposes in the meetings of the Association shall be one (1) vote per Lot for Class A Members. The Class C Members shall be entitled to six (6) votes for each Lot owned by Declarant and six (6) votes for each Lot owned by a Class B Member. Class B Members shall not be entitled to vote on Association matters and business.

4.5. **Membership Meetings.** Regular and special meetings of the Association shall be held in accordance with the provisions of the Bylaws appended hereto and incorporated herein.

4.6. **Board of Directors.** The affairs of the Association shall be managed by a Board of Directors ("Board"), which is hereby established by the appended Bylaws. The Board shall conduct regular and special meetings according to the provisions of the Bylaws.

ARTICLE 5

MAINTENANCE AND ASSESSMENTS

5.1. **Creation of Lien and Personal Obligation of Assessment.** Each Owner of any Lot in Fallbrook, other than Declarant, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay the Association: (1) annual assessments or charges; and (2) special assessments for extraordinary Association expenses and capital improvements approved by the Association as provided herein; each such assessment to be fixed, established, and collected from time to time as hereinafter provided. The annual assessments and special assessments, together with such interest thereon and costs of collection thereof, shall be a charge on the land and shall be a continuing lien upon the property superior to any homestead or other exemption provided by law, but shall not be prior or superior to any purchase money mortgage lien or any first mortgage on a home. Said lien may be enforced by the Association and may be recorded and/or foreclosed in any manner provided by the laws of the State of Oklahoma for the foreclosure of mortgages or deeds of trust, with or without power of sale. Each such assessment, together with such interest, costs and reasonable attorney's fees incurred by the Association in respect to collection of such assessment, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed, but, nevertheless, the lien shall continue to be a charge and lien upon the land as above provided.

5.2. **Purchase Assessments.** Upon the initial sale and transfer of title by Declarant of each Lot to a Builder or other original purchaser, there shall be immediately due and owing to the Association a Purchase Assessment in the amount of Two Hundred Dollars (\$200.00) per Lot transferred, which amount is assessed, due and payable, as of the date of transfer of title. All of such assessments shall be deposited into the Association's account(s) as provided in the By-Laws.

5.3. **Annual Assessments.** Commencing on January 1, 2008, and each year thereafter, there shall be an annual assessment due from each Owner of a Lot, the amount of which shall be as set forth herein. The total of such assessments for all Lots shall be (i) the estimated expenses of the Association in carrying out the obligations described herein for such calendar year and the estimated costs of the maintenance and repair of the Common Areas, payment of all insurance premiums due on policies of insurance obtained by the Board, and payment of all other recurring obligations of the Association, including utilities (the "Maintenance Fund Requirement"), plus (ii) an amount, to be determined by the Board, to be set aside during the fiscal year to provide for a reserve fund for the repair or replacement of the Common Areas, including repairs (to the extent not covered by insurance) and maintenance of all Buildings and improvements on the

Common Areas (the "Reserve Fund Requirement"). For the calendar year 2008, and each subsequent year unless and until adjusted by the Association, the regular assessment shall be:

<u>Type of Member</u>	<u>Amount</u>
Class A	\$750.00
Class B	\$200.00
Class C	\$ 0.00

5.4. Increase (Decrease) in Annual Assessment. After consideration of the Maintenance Fund Requirement and Reserve Fund Requirement of the Association, the Board may increase (or decrease) the amount of the Annual Assessment each year, such increase to be made prior to, but effective as of the beginning of, such year, provided any increase in excess of 10% shall first be approved by the vote of at least 65% of the Members present in person or by proxy, and entitled to vote at a meeting held prior to the commencement of the year for which such increase is to be made and duly called for such purpose. Written notice of such meeting shall be sent by the Board to all Members not less than 10 days or more than 30 days in advance of the meeting, setting forth the purpose of the meeting. There shall be no annual assessment paid by the Class C Member(s) without the unanimous written approval of same by all Class C Member(s). Class B Members shall not be subject to the annual assessment in an amount greater than that set forth herein unless and until such Builder or his tenant occupies such structure as a residence. Notwithstanding any other provision within these Covenants and/or the Bylaws of the Association, Class A Members shall not be entitled to amend the Covenants and/or the Bylaws in any manner which would require Class B or Class C Members to be subjected to annual assessments in an amount greater than that specified herein, or any Special Assessment.

5.5. Certificate of Payment. The Association shall, upon demand, furnish to any Member, mortgagee of a Member, or prospective purchaser of any Lot a certificate in writing signed by an officer of the Association, setting forth whether the assessments on the specified Lot have been paid, and the amount of the delinquency, if any. A reasonable charge may be made by the Board for the issuance of such certificates. Such certificates shall be conclusive evidence of payment of any assessment therein stated to have been paid.

5.6. Special Assessments. The Association may levy a special assessment upon Class A members for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a Common Area improvement (to the extent the Association is not reimbursed from insurance proceeds), including the community pool, fitness facility, sport court, club house, buildings, fixtures, streets and roadways, parking areas, personal property, fences or security gate located on or on a part of the Common Areas, or to defray any unanticipated or underestimated expense normally covered by the annual assessment (and, where necessary, for taxes assessed against the Common Areas); provided that, any such assessment or charge as to any period shall have the assent of two-thirds (2/3rds) of the Class A members appearing in person or by proxy at a meeting specially called for this purpose, written notice of which shall be sent to all Members not less than ten (10) and not more than thirty (30) days in advance of the meeting setting out the purpose of the meeting. Special assessments may also be levied against any individual Lot and its Owner to reimburse the Association for costs incurred in bringing that Owner and his Lot into compliance with these Covenants and/or the Bylaws. Class B and Class C Members shall not be subject to Special Assessments.

5.7. Maintenance and Reserve Fund. Annual assessments shall be deposited into commercial bank accounts in a bank or trust company to be selected by the Board. The Board shall maintain two separate accounts, a maintenance fund account and a reserve fund account. The Board shall have control of said accounts and shall be responsible to the Members for the maintenance of accurate records thereof at all times. The Board shall deposit into the Maintenance Fund Account, that portion of the annual assessments deemed necessary by the Board for the Maintenance Fund Requirement. The Board shall deposit the remaining portion of the annual assessment into the Reserve Fund Account. The Board shall have control of the Reserve Fund Account and shall expend funds from such account only for the purpose of payment of extraordinary expenses associated with the repair, improvement or replacement of the Common Area, specifically including the streets and roadways and such other non-recurring expenses which were not contemplated in the Association's annual

budget. Initially, the Board shall deposit into the Reserve Fund an amount equivalent to ten (10%) per year, which amount may be increased or decreased as provided herein.

5.8. Purpose of Assessments. The assessments, including the annual assessment and any special assessments which may be levied by the Association, shall be used exclusively to provide for the maintenance and improvement of the Common Areas, for the common good of the Property and the Members of the Association, and the enforcement by the Board of these Covenants. No individual Member shall use any portion of the assessments for any individual purpose. The Board may elect to acquire, and charge as an expense against the Maintenance Fund Account, such fidelity insurance on its officers and Members as may be desired and appropriate.

5.9. Allocation of Assessments. Each Lot owned by Class A Members shall bear an equal share of any aggregate annual and special assessment, other than special assessments levied against an individual Owner pursuant to ¶ 5 of this Article, regardless of Lot size or Lot location.

5.10 Class B Members Obligated to Pay Ad Valorem Taxes. In addition to the payment of the purchase Assessment and the Annual Assessment, Class B Members who have acquired an interest in a Lot through a contract to purchase from Developer shall be obligated to pay the ad valorem taxes associated with such Lot as of the date of the contract to purchase. Class B Members shall pay to Developer, within ten (10) days of demand, the ad valorem tax assessed against the Lot.

5.11. Transfer of Lot by Sale or Foreclosure. Sale or transfer of any Lot shall not affect the assessment lien; however, the sale or transfer of any Lot pursuant to mortgage foreclosure shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer, except for assessment liens recorded prior to the mortgage. No sale or transfer shall relieve such Owner from liability for any assessments thereafter becoming due or from the lien thereof. In a voluntary conveyance of a Lot, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the grantor for his share of the common expenses up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor; however, if any such grantee shall have received a statement from the Association setting forth the amount of the unpaid assessments due the Association, such grantee shall not be liable for, nor shall the Lot be subject to a lien for, any unpaid assessments made by the Association against the grantor in excess of the amount set forth in the statement except for any assessment becoming due after the date of the statement.

5.12. Enforcement of Assessment Obligation; Priorities, Discipline. Any part of any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of twelve percent (18%) per annum from the due date until paid. When a notice of assessment and/or lien has been recorded, such assessment shall constitute a lien on the Lot which is prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deed of trust with first priority over other mortgages or deeds of trust) made in good faith and for value. Such lien, when delinquent, may be enforced by sale by the Association, its attorney or other person authorized by this document or by law to make the sale. The Association, acting on behalf of the Owners, shall have the power to bid for the Lot at the foreclosure sale and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses, rent and attorneys' fees shall be maintainable without foreclosing or waiving the lien securing the same. The Board may impose reasonable monetary penalties, which penalties may include attorney fees and expenses of litigation or collection, against an Owner who is in default in payment of any assessment, after notice and hearing according to the Bylaws.

5.13. Commencement Date of Annual Assessments. The annual assessments provided for herein shall commence on the date on which a single-family home is constructed thereon and first occupied by the Owner or by any other person occupying all or any part of such structure. The Board shall determine the amount of the annual assessment due from such Owner, calculated by the following formula: annual assessment amount x days remaining in calendar year/365. The Board shall notify the Owner of the amount of the assessment due from such initial Owner. The initial annual assessment shall be due within 45 days of receipt of notice from the Board of the amount owed. Thereafter, annual assessments attributable to such Lot shall be due and owing as of January 1st of each subsequent year by the Owner of the Lot occupying same as of said date.

5.14. Assessments Non-refundable. All assessments paid by Members shall be irrevocable and non-refundable to the Members. All monies accrued in the Maintenance Fund and Reserve Fund shall accrue solely to the benefit of the Association and the purposes set forth herein.

ARTICLE 6

DUTIES AND POWERS OF THE ASSOCIATION AND BOARD

6.1. Statutory Duties and Powers of the Association. The duties and powers of the Association shall be as required, implied or necessary by 60 Okla. Stat. §§ 851 through 855, inclusive, as same presently exist or may be hereafter amended relative to Real Estate Developments.

6.2. Other Duties and Powers of the Association. In addition to the duties and powers enumerated in the Bylaws or elsewhere provided for herein, the Association, acting through the Board, may enforce these Covenants and shall:

a. Maintenance and Repairs. Maintain, insure, repair, replace, restore, operate and manage all of the Common Areas, including, but not limited to, the streets and roadways, entrance gate, the Association's pool and fitness facilities, improvements, equipment and furnishings of Buildings and improvements located on Common Areas, maintenance of all Common Area lawns, green belts and landscaping, maintenance and repair of the Association Fence, maintenance of property that may be acquired by the Association and such other functions and duties as may be imposed by these Covenants, the Bylaws, and the rules and regulations of the Association.

b. Enforcement. Enforce the provisions of this Declaration by appropriate means including, without limitation, the expenditures of funds of the Association, the employment of legal counsel and the commencement of legal proceedings.

c. Insurance. Maintain such policy or policies of insurance as are required by this document or as the Board deems necessary or desirable in furthering the purposes of and protecting the interests of the Association.

d. Rules and Regulations. The Board shall adopt and enforce such rules and regulations as the Board deems desirable for the use, security, scheduling and safety of Owners in respect to the Common Areas. Rules and regulations adopted by the Board shall be prominently displayed or otherwise published to the Owners.

e. Reservation for Access, Maintenance, Repair and Emergencies. The Association shall have the irrevocable right and easement, to be exercised by the Board, or its specifically designated agent, to have access to each Lot from time to time during reasonable hours as may be necessary for the maintenance, repair or replacement of any of the Common Areas thereon or accessible therefrom, or for making emergency repairs necessary to prevent damage to the Common Areas or to another Residence. The Association shall have the right to grant permits, licenses and easements over the Common Areas for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of Fallbrook and the Association's duties in relation thereto.

ARTICLE 7

USE RESTRICTIONS AND ARCHITECTURAL CONTROL

In addition to all of the covenants contained herein, the use of the Property and each Lot therein is subject to the following use restrictions and architectural controls and limitations:

7.1. Single Family Use. The buildings, and each of the Lots are intended for and restricted to use as Single Family Residences as defined herein. A Lot shall not be subdivided, nor shall any part less than the whole thereof be sold or otherwise transferred. Except for the business activities of Declarant, no gainful occupation, profession, business, trade or other non-residential activity except personal business shall be conducted on any Lot.

7.2. Leases. Any lease of a Residence shall be for a minimum period of 30 days, shall be in writing and shall be subject to the terms, conditions and provisions of these Covenants. Any Owner leasing a Residence to a third party must register the name, address and telephone number of the tenant with the Board.

7.3. Nuisances. No noxious, illegal or offensive activities shall be carried on in any Lot, or in any part of the Property, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment by an Owner of his respective Lot, or which shall in any way increase the rate of insurance charged to the Association, or cause any insurance policy to be canceled or to cause a refusal to renew the same, or which will impair the structural integrity of any building. Outdoor lighting shall not be installed on any Lot in a manner which will unreasonably illuminate neighboring Lots. The Board shall have the power to make and to enforce reasonable rules and regulations in furtherance of this provision, including such rules and regulations as may be necessary to the convenient and appropriate scheduling of use of Common Area facilities.

7.4. Architectural Standards and Building Committee. No residence shall be erected or altered on any Lot except as is installed or approved by the Declarant in connection with the initial construction of buildings or until the building plans and specifications and plot plan showing the location of such building have been approved in writing as to the conformity and harmony of external design with existing structures in Fallbrook, and as to the location of the building with respect to topography and finished ground elevation by a building committee composed of WILLIAM D. ROBERTS and CORBYN ROBERTS or their designated representatives. In the event of the death or resignation of WILLIAM D. ROBERTS and CORBYN ROBERTS, the Board shall have full authority to approve or disapprove such design and location or to appoint a committee of two or more Members to constitute the building committee. In the event the building committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications shall have been submitted to it, approval will not be required and the Owner submitting such plans and specifications shall be deemed to have complied with this provision, so long as the plans and specifications strictly conform with this Declaration. The building committee may act upon its own motion or upon the written request of any Owner. The Association, building committee or a Lot owner may institute suit to enjoin or to remove such additions, alterations or improvements, which have not been approved as provided herein, at any time, and all costs and attorney fees shall be the responsibility of the Owner whose actions caused such suit to be instituted. No permission or approval shall be required to rebuild in accordance with the original plans and specifications or to rebuild in accordance with the original specifications previously approved by the building committee. Neither the members of the committee nor its designated representatives shall be entitled to any compensation for services performed pursuant to this covenant.

7.5. Structural Size Restriction. The floor area of the main structure, exclusive of porches, basements and garage(s), shall not be less than 2400 square feet.

7.6. Fireplace Chimneys and Chases. All fireplace chimneys or chases for wood burning fireplaces shall be constructed of masonry or masonry veneer.

7.7. Garages and Carports. Garages must be at least two cars wide and must be attached to the residence. No carports shall be permitted on the Property.

7.8. Roof Construction. Unless otherwise approved by the building committee in writing, the roof of each residential structure in Fallbrook, including garages and detached structures, shall be constructed with Elk Prestique II 30 shingles of weathered wood color, or an equivalent or superior shingle approved by the building committee. Upon written application to the building committee, the building committee may approve variances to this restriction if such variance, in the opinion of the building committee, conforms to the architectural standards of Fallbrook. All such variances must be approved in writing by the building committee.

7.9. Setback and Side Building Limits. No building structure or part thereof shall be erected or maintained on any Lot nearer to the front street or the side street than the front building limit or the side building limit line as shown on the Plat. No building structure or any part thereof shall be located, placed or maintained within five feet (5') of the side Lot line of any Lot. No building structure or part thereof shall be erected or maintained within ten feet (10') of the back lot line. No fence on any Lot shall be permitted to extend past the front edge of the building structure nearest the fence location.

7.10. Garbage, Trash and Refuse Disposal. All rubbish, trash and garbage shall be regularly removed from the Property and any Lots, and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall not be kept except in sanitary containers.

7.11. Pets. No animal shall be kept except household pets. Such pets may not be kept or bred for any commercial purpose and shall have such care and restraint so as not to be obnoxious or offensive on account of noise, odor or unsanitary conditions. No savage or dangerous animal or breed of animal shall be kept. No more than two household pets may be kept without written permission of the Association. No pets may be permitted to run loose within Fallbrook. Each Owner is responsible for curbing their own pets and the immediate removal of their pet's excrement from any Common Area or any front or side yard of a Lot, including such Owner's Lot.

7.12. Above Ground Pools. No pools with a capacity of more than 250 gallons of water shall be installed, placed, erected or maintained above the surface of the ground of any Lot.

7.13. Vehicle Restrictions. No trailer, camper (including a camper shell on a pickup truck or other vehicle), mobile home, commercial vehicle, truck (other than standard size pickup truck), vehicle in the process of being repaired or otherwise being presently inoperable, boat or similar equipment shall be permitted to remain upon any area within Fallbrook, except within a completely enclosed garage or behind the front edge of the building structure on a Lot and enclosed by appropriate site proof fencing approved by the building committee, other than temporarily. For purposes of this restriction "temporarily" means a period less than 24 hours. Commercial vehicles shall not include sedans or standard size pickup trucks which are used both for business and personal use, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Association. No noisy, off-road or unlicensed motor vehicles shall be maintained or operated in Fallbrook. No overnight parking of any vehicle on the street is permitted. Provided, however, that passenger car vehicles may be parked in the designated Common Area parking areas by residents or guests of residents and for a period of up to three (3) days. It being the intent that such Common Area parking shall only be used to accommodate temporary needs of residents and guests. Use of the Common Area parking by a resident or resident's guest for a period of more than three (3) consecutive days or habitual use by a resident or guest is prohibited. The Board may adopt such rules and regulations as deemed necessary in regard to use of the Common Area parking areas.

7.14. Diseases and Insects. No Owner shall permit any thing or condition to exist upon any Lot which shall induce, breed or harbor infectious plants, diseases or noxious insects.

7.15. Signs. No signs or billboards shall be displayed to the public view on any Lot except signs placed by builders or licensed Realtors for the sale or rental of property and such signs as are approved by the Association or committee appointed by the Association. Provided, an Owner's "For Sale" or "For Rent" sign, approved by the Association as to size and content, may be displayed.

7.16. Radio and Television Antennas. No radio or television tower or antenna shall be constructed or installed upon any Lot or Common Area. No Owner may be permitted to construct, use or operate his own external radio or television antenna, including satellite dish receivers with diameters in excess of eighteen inches (18"), without the written consent and approval of the building committee.

7.17. Liability of Owners for Damage to Common Areas. The Owner of each Lot shall be liable to the Association for damages to the Common Areas or improvements thereon caused by such Owner or any occupant or guest of such Owner in accordance with Oklahoma statutory and common law.

7.18. Power Equipment and Car Maintenance. No power equipment, workshops or car maintenance shall be permitted on any lot as a commercial venture. Car maintenance, other than routine servicing of vehicles (oil change, car wash, etc.), shall not be conducted within Fallbrook except wholly within the garage of a Residence.

7.19. Temporary Structures. No structure of a temporary nature, including trailers, basements, tents, shacks, garages, barns, sheds or other outbuilding shall be used on any lot or building site at anytime as a residence, either temporarily or permanently. This restriction shall not apply to temporary business offices of builders.

7.20. Outbuildings and Treehouses. No outbuildings, sheds, tree houses or storage structures shall be constructed or located on any Lot except as approved by the Building Committee as to location, size and design.

7.21. Lawns. No rock or gravel lawns are permitted within Fallbrook. Each owner shall reasonably maintain all lawns, shrubbery and trees located on said Owner's Lot. The Association may adopt such rules and regulations regarding lawn maintenance as deemed desirable by the Board.

7.22. Fencing and Fence Restrictions. The Association Fence shall be originally constructed by Declarant. The Association Fence shall include the masonry wall appurtenant to the entrance and security gate and the fence installed on the perimeter of the pool facilities. The Association Fence shall be maintained by the Association. No Owner of any Lot shall construct any additional fence parallel to an Association Fence without the prior written approval of the Building Committee.

Unless otherwise approved by the Building Committee prior to installation, all fences installed on or appurtenant to a Lot within Fallbrook shall be constructed of Trex Seclusions® Privacy Fence System materials, shall be Saddle in color and shall not exceed six feet (6') in height. All fences installed on a Lot perimeter which abuts a Common Area or street shall have poles and bracing supports installed on the side of the fence interior to the Lot.

7.23. Basketball Goals. Owners shall be permitted to install basketball goals on the Owner's Lot, provided same are maintained in good repair and appearance. Provided further, the Board may adopt reasonable rules for use of basketball goals on any Lot and within Common Areas, including reasonable restrictions prohibiting use of basketball goals at night as to all Lots and Common Areas.

7.24. Waiver of Restrictions by Building Committee. The building committee is authorized to waive any of the terms and conditions of these covenants pertaining to the construction and location of structures if the building committee determines that the requested waiver would be in conformity and harmony with the external design and location of existing structures. Any waiver granted by the building committee applies only to the specific request and specific owner requesting a waiver, and shall not constitute or be construed as a waiver of any of the terms, restrictions and conditions set forth herein as to any other instance or owner.

7.25. Warranty of Enforceability. While the Declarant has no reason to believe that any of the restrictive covenants of this Article or elsewhere in these Covenants are or may be invalid or unenforceable for any reason or to any extent, it makes no warranty or representation as to the present or future validity or enforceability of any such restrictive covenant. Any Owner acquiring a Lot in Fallbrook in reliance on one or more of such restrictive covenants shall assume all risks of the validity and enforceability thereof and, by acquiring the Lot, agrees to hold the Declarant harmless therefrom.

7.26. Prohibition of Alteration and Improvement. No building, structure, shed, fence, wall, obstruction, balcony, screen, patio, patio cover, tent, awning, sheds, carport, carport cover, improvement or structure of any kind shall be commenced, erected, or maintained in Fallbrook, nor shall any alteration or improvement of any kind be made to any previously constructed structure, until the same has been approved in writing by the building committee.

7.27. Enforcement and Access Easement. Each Owner of a Lot grants an access easement to the Association, acting through the Board and its authorized representatives, for purposes of access to any Common Area for repair, replacement and maintenance of the Common Area. The Board shall have the power to make and to enforce reasonable rules and regulations in furtherance of this Article. During reasonable hours, Declarant, any member of the building committee, any member of the Board, or any authorized representative of any of them, shall have the right to come upon and inspect any Lot and the improvements thereon (except for the interior portions of any Residence) for the purpose of ascertaining whether or not the provisions of this Article have been or are being complied with, and such persons shall not be deemed guilty of trespass by reason of such entry.

ARTICLE 8

GENERAL PROVISIONS

8.1. Enforcement. The Association, any Owner and any governmental or quasi-governmental agency or municipality having jurisdiction over the Property, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by this document and, in such action, shall be entitled to recover costs and reasonable attorneys' fees; provided, however, that an individual Owner shall have no right to enforce the collection of any assessment levied against any other Owner under Article 4 above. Failure by any such person or entity to enforce any such provision shall in no event be deemed a waiver of the right to do so thereafter.

8.2. Invalidity of Any Provision. Should any provision of this document be declared invalid or in conflict with any law of the jurisdiction where the Property is situated, the validity of all other provisions shall remain unaffected and in full force and effect.

8.3. Amendments. To the extent not inconsistent with 60 Okla. Stat. §§ 851, et seq., as same is now or may hereafter be amended, an amendment of these Covenants may be enacted by the vote or written assent of the voting power of all Members, being all Class A (1 vote per Lot) and Class C Members (6 votes per Lot owned by the Class C Member and all Class B Members); provided, however, that the percentage of the voting power necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for an action to be taken under that clause. Any amendment must be recorded and shall become effective upon being recorded in the office of the County Clerk of Oklahoma County, Oklahoma.

8.4. Mortgage Protection Clause.

a. Rights of First Mortgagees. No breach of any of the Covenants contained in this document, nor the enforcement of any lien provisions herein, shall render invalid, or be superior to, the lien of any first mortgage (meaning a mortgage with first priority over any other mortgage) on any Lot made in good faith and for value, but all of said Covenants shall be binding upon and be effective against any Owner whose title is derived through foreclosure or trustee's sale or otherwise. Mortgagees shall not be required to collect assessments from Owners to protect the priority of a mortgage lien. An Owner's failure to pay assessments shall not constitute a default under a VA or FHA insured mortgage. Notwithstanding, the Association shall be entitled to enforce all its lien and collection rights, as provided herein, against an Owner with a VA or FHA insured mortgage who has failed to timely pay assessments due to the Association.

b. Mortgage Priority; Right to Inspect Records. Notwithstanding any language contained in this document to the contrary, no Owner and no other party shall have priority over any rights of institutional lenders pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Lots and/or any portion or element of the Common Areas. Institutional lenders shall have the right to examine the books and records of the Association.

8.5. Insurance. The Association shall obtain and continue in effect, comprehensive public liability insurance insuring the Association, the Developer and the agents and employees of each and the Owners and employees, guests and invitees of the Owners against any liability incident to the ownership or use of the Common Areas and facilities in the Common Areas and including, if reasonably obtainable, a cross-liability endorsement insuring each insured against liability to each other and a "severability of interest" endorsement precluding the insurer from denying coverage to one Owner because of the negligence of other Owners or the Association.

a. Insurance Premiums. Insurance premiums on policies purchased by the Association shall be a common expense to be paid from the assessments provided for herein or as levied by the Association.

8.6. Owners' Compliance. Each Owner, tenant or occupant of a Lot shall comply with the provisions of the Project documents, including these Covenants, the Bylaws, the rules and regulations duly passed by the Board, and all decisions and resolutions of the Association or its duly authorized representatives, and failure to comply with any such

with the voting percentage established in this document or in the Bylaws shall be deemed to be binding on all Owners of Lots, their successors and assigns.

8.7. Conflict of Project Documents. If there is any conflict among or between the Project documents, the provisions of these Covenants shall prevail; thereafter, priority shall be given to Project documents in the following order: Plat, Bylaws and rules and regulations of the Association.

8.8. Service of Process. The name of the person to receive service of process together with the residence or place of business of such person in Oklahoma County is William D. Roberts, 1725 W. 33rd Street, Edmond, Oklahoma, 73013, or, in the event William D. Roberts is no longer a Member of the Association, the President of the Association as determined by the books and records of the Association as of the date process is served and/or such other person as the Board may designate by an amendment hereto filed for such purpose.

IN WITNESS WHEREOF, the undersigned have executed this document this 27th day of August, 2007.

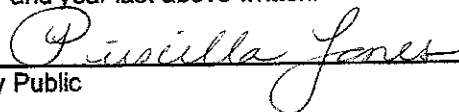
THE ROBERTS GROUP, LLC


William D. Roberts, Managing Member

STATE OF OKLAHOMA)
) ss
COUNTY OF OKLAHOMA)

Before me, the undersigned, a Notary Public, in and for said County and State on this 27 day of August, 2007, personally appeared William D. Roberts, of The Roberts Group, LLC, to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its Managing Member and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of said entity, for the uses and purposes therein set forth.

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


Notary Public

My Commission Expires: 9-2-11



LVB/kt/H:\vb\Roberts Group, LLC\Fallbrook\Fallbrook Covenants (3) Final.wpd

AN ADDITION TO THE CITY OF EDMOND
A Subdivision of Part of the SW 1/4 Sec. 17,
Part of the SE 1/4 Sec. 17, T14N, R3W, E1S
Oklahoma County, Oklahoma

AN ADDITION TO THE CITY OF EDMOND
A Subdivision of Part of the SW 1/4 Sec. 17,
Part of the SE 1/4 Sec. 17, T14N, R3W, I
Oklahoma County, Oklahoma

ISCH & ASSOCIATES, INC.
CIVIL ENGINEERING - LAND PLANNING - LAND SURVEYING
5540 E. Broadway, Suite 205 - DENVER, COLORADO 80220
OFFICE (303) 346-1153 - FAX (408) 346-0851
Circle 10 on Reader Service Card

COUNTY TREASURER'S CERTIFICATE

ONLY DURING CERTIFICATE

CITY PLANNING COMMISSION APPROVAL

APPROVAL OF PLAY AND ACCEPTANCE OF EDUCATION BY CITY COUNCILS

2009-10-19



NOTES:	1: All s	2: The pre	3: All the and	4: The of La Proh requi	5: The	6: The
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ATTEN

WARRANT FOR ARREST

OWNER'S NOTARY SURVIVOR SURVIVOR'S NOTARY ABSTRACTOR COUNTY CITY

LEARNER'S CERTIFICATE AND DEDICATION

KNOW ALL MEN BY THESE PRESENTS that the undersigned, THE ROBERTS GROUP, L.L.C., an Oklahoma Limited Liability Company, hereby certifies that it is the owner of the legal title and the entire portion, interest, or co-ownership having any legal right, title or interest in, and to the lot or lots shown on the official map or plat of FAIRMOUNT, an addition in the City of Enid, being a subdivision of Part of the SW 1/4 of Section 16 and a Part of the SW 1/4 of Section 17, T44N, R23E, L1E, Oklahoma County, Oklahoma, and do hereby certify

[illegible]

Not the ones indicated on add slip as duplicate events are private and are hereby disclaimed to the Coast Village Property Owners Association. All other events will be conducted by said Property Owners Association.

[illegible]

540 property covered by this act and the decision are subject to certain restrictions, caveats and severities contained in a separate instrument which may be the subsequent title of the act.

IN WITNESS WHEREOF, said Limited Liability Company has caused this instrument to be executed at Edward, Oklahoma, this _____ day of 200.

THE MODERNIS GROUP, L.L.C., an Oklahoma Limited Liability Company

STATE OF OKLAHOMA
COUNTY OF OKLAHOMA

on this _____ day of _____, 200____, previously appeared
of The Roberts Group, LLC, to me known to be the Member person who executed the within
and foregoing instrument on his MANAGER and acknowledged to me that he executed

PROPERTY PAGE

Given under my hand and seal this day and year last above written

OF MINISTRY'S CERTIFICATE

L. Robert L. MacDouthan, a Professional Land Surveyor in the State of Oklahoma, do hereby certify that the enclosed plat of **ALLERBROOK I**, as addition to the City of Edmond, Oklahoma County, Oklahoma, truly and correctly represents a correct survey made under my supervision, and that the monuments related thereon actually exist and are correctly shown.

Richard J. MacDonell, P.J. & Associates

STATE OF OKLAHOMA }
COUNTY OF OKMOMA }
44 }

WINTERING IN DENMARK
AND SPENDING THE
WINTER IN DENMARK

CITIZENRY PUBLIC

**BYLAWS OF
FALLBROOK OWNERS ASSOCIATION, INC.
(A NON-PROFIT ORGANIZATION)**

ARTICLE I

NAME

The name of this organization shall be Fallbrook Owners Association, Inc. (the "Association").

ARTICLE II

PURPOSE AND PARTIES

2.1 Purpose. The purpose of the organization shall be the administration of the Property described in the Declaration of Covenants, Conditions and Restrictions of Fallbrook (hereinafter the "Covenants"), a residential subdivision to the City of Edmond, Oklahoma, as shown by the recorded Plat or Plats to be recorded thereof, and all property which may be subjected to the Covenants by amendment thereof or otherwise, of which these Bylaws are a part, which administration shall be in accordance with these Bylaws and the provisions of 60 Okla. Stat. §§ 861, et seq. All definitions and terms contained in the Covenants shall apply hereto and are incorporated herein by reference.

2.2 Members. All present and future owners and tenants of any lot, including builders who have purchased or contracted with Developer for the purchase of a lot or lots subject to the Covenants, mortgagees and other persons who may use the facilities of the Property in any manner are subject to these Bylaws, the Covenants, the rules and regulations of the Association, and all agreements and easements relating thereto.

ARTICLE III

MEMBERSHIP AND MEETINGS

3.1 Membership. Any person or entity on becoming an owner of a lot, and any Builder who purchases or contracts with shall automatically become a member of Fallbrook Owners Association and be subject to these Bylaws. Such membership shall terminate without any formal action by the Association whenever such person ceases to own a lot, but such termination shall not relieve or release any such former owner from any liability, obligation, right or remedy incurred under or in any way connected with the Association or during the period of such ownership and membership in the Association. 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.

3.1.1 Classes of Membership. There shall be three (3) classes of membership in the Association. Class A members shall be all purchasers, and their successors and assigns, of a lot from the Developer and Declarant, The Roberts Group, LLC. Class B members shall be Builders (defined herein as a person or entity who has purchased, or contracted with Developer to purchase, a lot or lots for the purpose of construction of a residence for sale to a (third party). The Class C member shall be the Developer and Declarant of the Covenants, The Roberts Group, LLC, acting through its designated representatives.

3.1.2 Assessments. Lots owned by Class A members shall be subject to annual and special assessments. Additionally, a purchase assessment of \$200.00 per lot shall be paid by all original purchasers (whether Class A or Class B) upon transfer of title to the lot from the Developer, as provided in the Covenants.

The Class C Member shall not be subject to annual or special assessments by the Association. However, the Class C Member shall pay the deficits of the Associations' operating budget until the earlier of (a) ownership by Class A members of 45 or more lots; or (b) January 1, 2012.

The provisions of this Section of the By-Laws may not be altered or modified by the Association or its Members without the written approval of the Class C Member, which written approval shall be recorded in and attached to, the minutes of the Association's meetings.

3.2 Annual Meetings. Regular annual meetings of members of the Association shall be held at a residence on the Property, the community club house, or at such other suitable place convenient to the members as may be designated by the Board. The first meeting of the Association shall be held on or about March 15, 2008.

3.3 Special Meetings. A special meeting of members of the 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 (25%) of the total voting power of the Association or by members representing fifteen percent (15%) of the voting power residing in members other than Declarant.

3.4 Notice of Meeting. The Board shall give notice of regular and special meetings to members by posting notice of the date, time and location thereof at conspicuous places on or near the entrance to Fallbrook. The Board shall give the Declarant written notice of the annual meeting at least fifteen (15) days prior to the scheduled meeting date. The Board shall give Declarant written notice of all special meetings at least five (5) days before any special meeting.

3.5 Quorum. The Board shall be entitled to conduct any and all business, with or without a quorum being present, at any annual or special meeting for which notice has been given as set forth herein, except as may otherwise be provided herein.

3.6 Proxies. At all meetings of members, each member may vote in person or by proxy.

3.7 Voting. Class A members shall be entitled to one vote for each lot owned by said owner or owners. 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 any 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. Class C members shall be entitled to six (6) votes for each lot owned by the Class C member and six (6) votes for each lot owned by a Class B member. Each vote shall have equal value. Class C membership shall terminate in accordance with the provisions pertaining to such termination within the Covenants.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 Number and Term of Directors. The Board shall consist of five (5) directors, each of whom shall be a lot owner or an agent of Declarant. Notwithstanding any other provision herein, so long as Declarant remains an owner of at least 10% of the lots within Fallbrook, including all other additions subjected to these Covenants, Declarant shall be entitled to elect or appoint three of the five directors, who need not be a lot owner. The directors shall serve concurrent terms of one (1) year. The initial directors, who shall be appointed by the Declarant, or its successor, shall serve until the first meeting of the Association; thereafter, all directors (other than those appointed by Declarant, shall be elected and removed according to these Bylaws.

4.2 Election of Board of Directors.

4.2.1 Nominations. Nominations for election to the Board (for election of directors which are not appointed or elected by Declarant as provided in § 4.1) shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting of the Association. The nominating committee shall consist of a chairman, who shall be a member of the Board, and two or more members of the Association.

4.2.2 Cumulative Voting. Elections of Board members shall be by cumulative voting if more than one position is to be filled in an election.

4.3 Vacancies Subject to the Provisions of 4.1. Vacancies in the Board caused by any reason 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 Association or at a special meeting of the members called for that purpose.

ARTICLE V

MEETINGS OF DIRECTORS

5.1 Regular Meetings. Regular meetings of the Board shall be conducted at the same time as the annual meeting of the members, and at such other times as the Board deems desirable.

5.2 Special Meetings. A special meeting of the Board may be called by written notice signed by the President of the Association or by any three (3) directors other than the President. Notice shall be provided to all directors with a description of the nature of any special business to be considered by the Board.

5.3 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.

5.4 Board Meetings Open to Members, Exceptions. Regular and special meetings of the Board shall be open to all members of the Association. 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 or threatened litigation and orders of business of a similar nature.

5.5 Fidelity Bonds. The Board may obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for funds of the organization. The premium for any such bonds shall be a common expense.

5.6 Compensation. No member of the Board shall receive any compensation from the Association or lot owners for acting as such.

5.7 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 for 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 or tort liability to others arising out of contracts made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Covenants or these Bylaws. 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 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.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 Powers and Duties. The Board shall have the powers and duties necessary for the management and administration of the Property. 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:

6.1.1 To select, appoint, supervise and remove all officers, agents and employees of the Association; to prescribe such powers and duties for them as may be consistent with the law and with the Covenants and these Bylaws.

6.1.2 To enforce the applicable provisions of the Covenants, these Bylaws, and other instruments relating to the ownership, management and control of the Property.

6.1.3 To adopt, publish and enforce rules and regulations governing the use of the Property and the personal conduct of the members and their guests upon the Common Areas, and to establish procedures and penalties for the infraction thereof, subject to approval of the membership.

6.1.4 To cause the Common Areas to be maintained, adequately insured, repaired and improved, for the benefit of the membership, and to contract for goods and/or services for the Common Areas or for the Association, and to pay all taxes and assessments which are or could become a lien on the Common Areas or a portion thereof.

6.1.5 To delegate its powers to committees or officers.

6.1.6 To prepare budgets and financial statements for the Association as prescribed in these Bylaws.

6.1.7 To initiate and execute disciplinary proceedings against members of the Association for violations of the provisions of the Covenants, these Bylaws and such rules as may be promulgated by the Board in accordance with the procedures set forth in these Bylaws.

6.1.8 To fix and collect annual and special assessments according to the Covenants and these Bylaws 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 funds shall be transferred to a depository account with an institutional lender upon terms and conditions which are approved by the Board. All funds of the Association shall be restricted in use to the sole and exclusive benefit of the Association's administration of the Property and shall not otherwise be expended.

6.1.9 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 Association. Without limiting the generality of the foregoing, the Board may, on behalf of the 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 Association for any taxable year shall meet the following limitations and restrictions (which limitations and restrictions may change from time to time to conform with changes in the tax code):

a. At least 80% of the gross income of the Association for any taxable year (other than income derived from the Reserve Fund) shall consist solely of amounts received as membership dues, fees or assessments from lot owners.

b. At least 90% of the expenditures of the Association (other than the portion of assessments allocated to the Reserve Fund) for any taxable year shall be for the acquisition, construction, management, maintenance and care of the Association's Property;

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

6.2 **Limitation of the Board's Power.** Except with the vote or written assent of a majority of the voting power of the Association, the Board shall be prohibited from taking any of the following actions:

6.2.1 Paying compensation to directors or to officers of the Association for services performed in the conduct of the 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 Association.

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

a. A management contract;

b. A contract with a public utility company if the rate 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;

c. 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;

d. 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.

e. Agreements for maintenance of the entrance and security gate(s).

6.2.3 The funds of the Association shall be maintained in trust account(s) for the benefit of the organization or shall be deposited with an institutional bank in an interest bearing account(s), and may not be accessed or withdrawn by the Board, or any member of the Association or other person, except by check or draft drawn on the Association's account and signed by at least two of the officers of the organization.

ARTICLE VII

OFFICERS AND DUTIES

7.1 Enumeration and Term. The officers of the Association shall be a president, who shall at all times be a member 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.

7.2 Election of Officers. The initial officers shall be elected by the Board appointed by Declarant and shall serve until the first annual meeting. Officers shall thereafter be elected by the Board at each annual meeting.

7.3 Resignation and Removal. Any officer may be removed from office by a majority of the Board at any time with or without cause. Officers may resign at any time upon written notice to each member of the Board.

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

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

7.5.1 President. The president shall preside at all meetings of the Board and the Association (members); shall see that orders and resolutions of the Board are carried out; shall sign all leases, deeds, mortgages and other written instruments and shall co-sign all checks and promissory notes.

7.5.2 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.

7.5.3 Secretary/Treasurer. The secretary/treasurer shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association, together with their addresses; receive and deposit funds in appropriate bank accounts of all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall co-sign all checks and promissory notes of the Association; keep proper books of accounts and prepare or have prepared financial statements as required in these Bylaws; 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 Association's business may be delegated to a management company as provided in these Bylaws.

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

ARTICLE VIII

MAINTENANCE AND ASSESSMENTS

Pursuant to the procedures and guidelines set forth in the Covenants, the Board shall collect and deposit in the account of the Association, the assessments as set forth in the Covenants. The monies collected from the assessments shall be invested by the Board in an interest bearing account and shall be utilized to pay the expenses associated with the maintenance, repair, replacement and insurance of the Common Areas, primarily being the pool facilities, club house, fitness facility, green belt and park area, Association Fence, entrance gate, streets and roadways and improvements on the Common Areas.

ARTICLE IX

DISCIPLINE OF MEMBERS; SUSPENSION OF RIGHTS

The 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 Covenants, these Bylaws or of duly enacted rules of operation for the Common Areas and Property, 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 judicial foreclosure or sale under a power of sale for failure of the owner to pay assessments levied by the Association. Notwithstanding the foregoing, the Board shall have the power to impose reasonable monetary penalties, temporary suspensions of an owner's rights as a member of the Association or other appropriate discipline for failure to comply with the Covenants, these Bylaws 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 or penalties 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 X

BUDGETS, FINANCIAL STATEMENTS, BOOKS AND RECORDS

10.1 Budgets and Financial Statements. Financial statements for the Association shall be regularly prepared and distributed at the annual meeting to those members requesting a copy of same. The Board shall prepare reasonable operating statements and budgets for each fiscal year.

10.2 Inspection of 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 Association shall be made available for inspection and copying by any member or by his duly authorized representative at any reasonable time and for a purpose reasonably related to his interest as a member at the office of the Association or at such other place as the Board shall prescribe, upon reasonable notice and at a reasonable time. 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 Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents.

ARTICLE XI

AMENDMENT OF BYLAWS

These Bylaws and the Covenants may be amended by the combined vote or written assent of 100% of the Class C Members of the Association and at least 67% of the Class A Members, provided, however, that each of the particular requirements set forth in 60 Okla. Stat. §§ 851 through 855, inclusive, as it now reads or may be hereafter amended shall always be embodied in the Bylaws unless specifically rejected by vote or written assent of at least 67% of the Members. Such modification or amendment shall not become operative unless set forth in a supplement to the Declaration of Covenants, Conditions and Restrictions and duly recorded in the office of the County Clerk of Oklahoma County, Oklahoma. Provided further, provisions within the Covenants and

these Bylaws applicable to annual or special assessments against Class B member(s) can only be amended or modified by the unanimous consent and written authorization of the Class B members.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Owner's Personal Obligation for Payment of Assessment. The amount of total assessments against a lot, including the purchase assessment and any regular and/or special assessment, shall be the personal and individual debt of the owner(s) of the lot at the time the assessment became due. The Board shall have the responsibility to take prompt action to collect any unpaid assessment in accordance with the terms of the Covenants and these Bylaws.

12.2 Indemnity of Officers and Directors. Each director and officer shall be indemnified by the 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 Association, except in cases of fraud, gross negligence or bad faith of the director or officer in the performance of his duties.

12.3 Building Committee. The Board shall appoint a building committee. The initial building committee shall consist of the Declarant's agents, William D. Roberts and Corbyn Roberts, or the designated representatives appointed by Declarant to serve in such capacity, who shall serve in such a capacity until January 1, 2020. Thereafter, or in the event of Declarant's earlier resignation thereof, the Board shall appoint a building committee consisting of two (2) members to serve three (3) year terms. In the event of earlier resignation or death of a member of the building committee, the Board shall appoint a successor. The building committee shall perform the duties set forth in the Covenants.

12.4 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 United States Mail, postage prepaid, return receipt requested, addressed to each person at the current address given by such person to the secretary of the 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 and the Board may be mailed without a return receipt requested. Provided further that notice to members of the building committee or to the Declarant must be given in writing, addressed to such individuals or entity c/o William D. Roberts, 1725 W. 33rd Street, Edmond, Oklahoma 73013.

ESTABLISHMENT OF BYLAWS

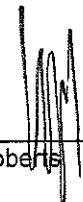
We, the undersigned, being the President and all of the directors appointed by Declarant, pursuant to the Declaration of Covenants, Conditions and Restrictions of Fallbrook and these Bylaws, do hereby certify the foregoing to be the Bylaws of Fallbrook Owners Association, Inc. and, by our signatures hereto, do hereby adopt the foregoing Bylaws as of the 27th day of August, 2007.

ATTEST:

FALLBROOK OWNERS ASSOCIATION, INC.

By: 
William D. Roberts, President

DIRECTOR


Corbyn Roberts

Secretary [SEAL]

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

Before me, the undersigned, a Notary Public, in and for said County and State on this 27th day of August, 2007, personally appeared William D. Roberts, President of Fallbrook Owners Association, Inc. and Corbyn Roberts, Director of Fallbrook Owners Association, Inc. to me known to be the identical persons who subscribed their names to the foregoing instrument as President and Director of Fallbrook Owners Association, Inc., and acknowledged to me that they executed the same as their free and voluntary act and deed and as the free and voluntary act and deed of said entity, for the uses and purposes therein set forth.

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

My Commission Expires: 9-2-11



Notary Public

LVB/kt/L:\vb\Roberts Group, LLC\Fallbrook\Fallbrook Owners Assn Bylaws3.wpd



**BYLAWS OF
FALLBROOK OWNERS ASSOCIATION, INC.
(A NON-PROFIT ORGANIZATION)**

ARTICLE I

NAME

The name of this organization shall be Fallbrook Owners Association, Inc. (the "Association").

ARTICLE II

PURPOSE AND PARTIES

2.1 Purpose. The purpose of the organization shall be the administration of the Property described in the Declaration of Covenants, Conditions and Restrictions of Fallbrook (hereinafter the "Covenants"), a residential subdivision to the City of Edmond, Oklahoma, as shown by the recorded Plat or Plats to be recorded thereof, and all property which may be subjected to the Covenants by amendment thereof or otherwise, of which these Bylaws are a part, which administration shall be in accordance with these Bylaws and the provisions of 60 Okla. Stat. §§ 861, et seq. All definitions and terms contained in the Covenants shall apply hereto and are incorporated herein by reference.

2.2 Members. All present and future owners and tenants of any lot, including builders who have purchased or contracted with Developer for the purchase of a lot or lots subject to the Covenants, mortgagees and other persons who may use the facilities of the Property in any manner are subject to these Bylaws, the Covenants, the rules and regulations of the Association, and all agreements and easements relating thereto.

ARTICLE III

MEMBERSHIP AND MEETINGS

3.1 Membership. Any person or entity on becoming an owner of a lot, and any Builder who purchases or contracts with shall automatically become a member of Fallbrook Owners Association and be subject to these Bylaws. Such membership shall terminate without any formal action by the Association whenever such person ceases to own a lot, but such termination shall not relieve or release any such former owner from any liability, obligation, right or remedy incurred under or in any way connected with the Association or during the period of such ownership and membership in the Association. 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.

3.1.1 Classes of Membership. There shall be three (3) classes of membership in the Association. Class A members shall be all purchasers, and their successors and assigns, of a lot from the Developer and Declarant, The Roberts Group, LLC. Class B members shall be Builders (defined herein as a person or entity who has purchased, or contracted with Developer to purchase, a lot or lots for the purpose of construction of a residence for sale to a (third party). The Class C member shall be the Developer and Declarant of the Covenants, The Roberts Group, LLC, acting through its designated representatives.

3.1.2 Assessments. Lots owned by Class A members shall be subject to annual and special assessments. Additionally, a purchase assessment of \$200.00 per lot shall be paid by all original purchasers (whether Class A or Class B) upon transfer of title to the lot from the Developer, as provided in the Covenants.

The Class C Member shall not be subject to annual or special assessments by the Association. However, the Class C Member shall pay the deficits of the Associations' operating budget until the earlier of (a) ownership by Class A members of 45 or more lots; or (b) January 1, 2012.

The provisions of this Section of the By-Laws may not be altered or modified by the Association or its Members without the written approval of the Class C Member, which written approval shall be recorded in and attached to, the minutes of the Association's meetings.

3.2 Annual Meetings. Regular annual meetings of members of the Association shall be held at a residence on the Property, the community club house, or at such other suitable place convenient to the members as may be designated by the Board. The first meeting of the Association shall be held on or about March 15, 2008.

3.3 Special Meetings. A special meeting of members of the 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 (25%) of the total voting power of the Association or by members representing fifteen percent (15%) of the voting power residing in members other than Declarant.

3.4 Notice of Meeting. The Board shall give notice of regular and special meetings to members by posting notice of the date, time and location thereof at conspicuous places on or near the entrance to Fallbrook. The Board shall give the Declarant written notice of the annual meeting at least fifteen (15) days prior to the scheduled meeting date. The Board shall give Declarant written notice of all special meetings at least five (5) days before any special meeting.

3.5 Quorum. The Board shall be entitled to conduct any and all business, with or without a quorum being present, at any annual or special meeting for which notice has been given as set forth herein, except as may otherwise be provided herein.

3.6 Proxies. At all meetings of members, each member may vote in person or by proxy.

3.7 Voting. Class A members shall be entitled to one vote for each lot owned by said owner or owners. 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 any 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. Class C members shall be entitled to six (6) votes for each lot owned by the Class C member and six (6) votes for each lot owned by a Class B member. Each vote shall have equal value. Class C membership shall terminate in accordance with the provisions pertaining to such termination within the Covenants.

ARTICLE IV

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

4.1 Number and Term of Directors. The Board shall consist of five (5) directors, each of whom shall be a lot owner or an agent of Declarant. Notwithstanding any other provision herein, so long as Declarant remains an owner of at least 10% of the lots within Fallbrook, including all other additions subjected to these Covenants, Declarant shall be entitled to elect or appoint three of the five directors, who need not be a lot owner. The directors shall serve concurrent terms of one (1) year. The initial directors, who shall be appointed by the Declarant, or its successor, shall serve until the first meeting of the Association; thereafter, all directors (other than those appointed by Declarant, shall be elected and removed according to these Bylaws.

4.2 Election of Board of Directors.

4.2.1 Nominations. Nominations for election to the Board (for election of directors which are not appointed or elected by Declarant as provided in § 4.1) shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting of the Association. The nominating committee shall consist of a chairman, who shall be a member of the Board, and two or more members of the Association.

4.2.2 Cumulative Voting. Elections of Board members shall be by cumulative voting if more than one position is to be filled in an election.

4.3 Vacancies Subject to the Provisions of 4.1. Vacancies in the Board caused by any reason 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 Association or at a special meeting of the members called for that purpose.

ARTICLE V

MEETINGS OF DIRECTORS

5.1 **Regular Meetings.** Regular meetings of the Board shall be conducted at the same time as the annual meeting of the members, and at such other times as the Board deems desirable.

5.2 **Special Meetings.** A special meeting of the Board may be called by written notice signed by the President of the Association or by any three (3) directors other than the President. Notice shall be provided to all directors with a description of the nature of any special business to be considered by the Board.

5.3 **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.

5.4 **Board Meetings Open to Members, Exceptions.** Regular and special meetings of the Board shall be open to all members of the Association. 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 or threatened litigation and orders of business of a similar nature.

5.5 **Fidelity Bonds.** The Board may obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for funds of the organization. The premium for any such bonds shall be a common expense.

5.6 **Compensation.** No member of the Board shall receive any compensation from the Association or lot owners for acting as such.

5.7 **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 for 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 or tort liability to others arising out of contracts made by the Board on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Covenants or these Bylaws. 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 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.

ARTICLE VI

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 **Powers and Duties.** The Board shall have the powers and duties necessary for the management and administration of the Property. 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:

6.1.1 To select, appoint, supervise and remove all officers, agents and employees of the Association; to prescribe such powers and duties for them as may be consistent with the law and with the Covenants and these Bylaws.

6.1.2 To enforce the applicable provisions of the Covenants, these Bylaws, and other instruments relating to the ownership, management and control of the Property.

6.1.3 To adopt, publish and enforce rules and regulations governing the use of the Property and the personal conduct of the members and their guests upon the Common Areas, and to establish procedures and penalties for the infraction thereof, subject to approval of the membership.

6.1.4 To cause the Common Areas to be maintained, adequately insured, repaired and improved, for the benefit of the membership, and to contract for goods and/or services for the Common Areas or for the Association, and to pay all taxes and assessments which are or could become a lien on the Common Areas or a portion thereof.

6.1.5 To delegate its powers to committees or officers.

6.1.6 To prepare budgets and financial statements for the Association as prescribed in these Bylaws.

6.1.7 To initiate and execute disciplinary proceedings against members of the Association for violations of the provisions of the Covenants, these Bylaws and such rules as may be promulgated by the Board in accordance with the procedures set forth in these Bylaws.

6.1.8 To fix and collect annual and special assessments according to the Covenants and these Bylaws 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 funds shall be transferred to a depository account with an institutional lender upon terms and conditions which are approved by the Board. All funds of the Association shall be restricted in use to the sole and exclusive benefit of the Association's administration of the Property and shall not otherwise be expended.

6.1.9 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 Association. Without limiting the generality of the foregoing, the Board may, on behalf of the 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 Association for any taxable year shall meet the following limitations and restrictions (which limitations and restrictions may change from time to time to conform with changes in the tax code):

a. At least 80% of the gross income of the Association for any taxable year (other than income derived from the Reserve Fund) shall consist solely of amounts received as membership dues, fees or assessments from lot owners.

b. At least 90% of the expenditures of the Association (other than the portion of assessments allocated to the Reserve Fund) for any taxable year shall be for the acquisition, construction, management, maintenance and care of the Association's Property;

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

6.2 **Limitation of the Board's Power.** Except with the vote or written assent of a majority of the voting power of the Association, the Board shall be prohibited from taking any of the following actions:

6.2.1 Paying compensation to directors or to officers of the Association for services performed in the conduct of the 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 Association.

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

a. A management contract;

b. A contract with a public utility company if the rate 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;

c. 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;

d. 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.

e. Agreements for maintenance of the entrance and security gate(s).

6.2.3 The funds of the Association shall be maintained in trust account(s) for the benefit of the organization or shall be deposited with an institutional bank in an interest bearing account(s), and may not be accessed or withdrawn by the Board, or any member of the Association or other person, except by check or draft drawn on the Association's account and signed by at least two of the officers of the organization.

ARTICLE VII

OFFICERS AND DUTIES

7.1 **Enumeration and Term.** The officers of the Association shall be a president, who shall at all times be a member 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.

7.2 **Election of Officers.** The initial officers shall be elected by the Board appointed by Declarant and shall serve until the first annual meeting. Officers shall thereafter be elected by the Board at each annual meeting.

7.3 **Resignation and Removal.** Any officer may be removed from office by a majority of the Board at any time with or without cause. Officers may resign at any time upon written notice to each member of the Board.

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

7.5 **Duties.** The duties of the officers are as follows:

7.5.1 **President.** The president shall preside at all meetings of the Board and the Association (members); shall see that orders and resolutions of the Board are carried out; shall sign all leases, deeds, mortgages and other written instruments and shall co-sign all checks and promissory notes.

7.5.2 **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.

7.5.3 **Secretary/Treasurer.** The secretary/treasurer shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association, together with their addresses; receive and deposit funds in appropriate bank accounts of all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall co-sign all checks and promissory notes of the Association; keep proper books of accounts and prepare or have prepared financial statements as required in these Bylaws; 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 Association's business may be delegated to a management company as provided in these Bylaws.

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

ARTICLE VIII

MAINTENANCE AND ASSESSMENTS

Pursuant to the procedures and guidelines set forth in the Covenants, the Board shall collect and deposit in the account of the Association, the assessments as set forth in the Covenants. The monies collected from the assessments shall be invested by the Board in an interest bearing account and shall be utilized to pay the expenses associated with the maintenance, repair, replacement and insurance of the Common Areas, primarily being the pool facilities, club house, fitness facility, green belt and park area, Association Fence, entrance gate, streets and roadways and improvements on the Common Areas.

ARTICLE IX

DISCIPLINE OF MEMBERS; SUSPENSION OF RIGHTS

The 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 Covenants, these Bylaws or of duly enacted rules of operation for the Common Areas and Property, 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 judicial foreclosure or sale under a power of sale for failure of the owner to pay assessments levied by the Association. Notwithstanding the foregoing, the Board shall have the power to impose reasonable monetary penalties, temporary suspensions of an owner's rights as a member of the Association or other appropriate discipline for failure to comply with the Covenants, these Bylaws 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 or penalties 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 X

BUDGETS, FINANCIAL STATEMENTS, BOOKS AND RECORDS

10.1 Budgets and Financial Statements. Financial statements for the Association shall be regularly prepared and distributed at the annual meeting to those members requesting a copy of same. The Board shall prepare reasonable operating statements and budgets for each fiscal year.

10.2 Inspection of 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 Association shall be made available for inspection and copying by any member or by his duly authorized representative at any reasonable time and for a purpose reasonably related to his interest as a member at the office of the Association or at such other place as the Board shall prescribe, upon reasonable notice and at a reasonable time. 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 Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents.

ARTICLE XI

AMENDMENT OF BYLAWS

These Bylaws and the Covenants may be amended by the combined vote or written assent of 100% of the Class C Members of the Association and at least 67% of the Class A Members, provided, however, that each of the particular requirements set forth in 60 Okla. Stat. §§ 851 through 855, inclusive, as it now reads or may be hereafter amended shall always be embodied in the Bylaws unless specifically rejected by vote or written assent of at least 67% of the Members. Such modification or amendment shall not become operative unless set forth in a supplement to the Declaration of Covenants, Conditions and Restrictions and duly recorded in the office of the County Clerk of Oklahoma County, Oklahoma. Provided further, provisions within the Covenants and

these Bylaws applicable to annual or special assessments against Class B member(s) can only be amended or modified by the unanimous consent and written authorization of the Class B members.

ARTICLE XII

MISCELLANEOUS PROVISIONS

12.1 Owner's Personal Obligation for Payment of Assessment. The amount of total assessments against a lot, including the purchase assessment and any regular and/or special assessment, shall be the personal and individual debt of the owner(s) of the lot at the time the assessment became due. The Board shall have the responsibility to take prompt action to collect any unpaid assessment in accordance with the terms of the Covenants and these Bylaws.

12.2 Indemnity of Officers and Directors. Each director and officer shall be indemnified by the 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 Association, except in cases of fraud, gross negligence or bad faith of the director or officer in the performance of his duties.

12.3 Building Committee. The Board shall appoint a building committee. The initial building committee shall consist of the Declarant's agents, William D. Roberts and Corbyn Roberts, or the designated representatives appointed by Declarant to serve in such capacity, who shall serve in such a capacity until January 1, 2020. Thereafter, or in the event of Declarant's earlier resignation thereof, the Board shall appoint a building committee consisting of two (2) members to serve three (3) year terms. In the event of earlier resignation or death of a member of the building committee, the Board shall appoint a successor. The building committee shall perform the duties set forth in the Covenants.

12.4 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 United States Mail, postage prepaid, return receipt requested, addressed to each person at the current address given by such person to the secretary of the 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 and the Board may be mailed without a return receipt requested. Provided further that notice to members of the building committee or to the Declarant must be given in writing, addressed to such individuals or entity c/o William D. Roberts, 1725 W. 33rd Street, Edmond, Oklahoma 73013.

ESTABLISHMENT OF BYLAWS

We, the undersigned, being the President and all of the directors appointed by Declarant, pursuant to the Declaration of Covenants, Conditions and Restrictions of Fallbrook and these Bylaws, do hereby certify the foregoing to be the Bylaws of Fallbrook Owners Association, Inc. and, by our signatures hereto, do hereby adopt the foregoing Bylaws as of the 27th day of August, 2007.

ATTEST:

FALLBROOK OWNERS ASSOCIATION, INC.

By: _____

William D. Roberts, President

DIRECTOR

Corbyn Roberts

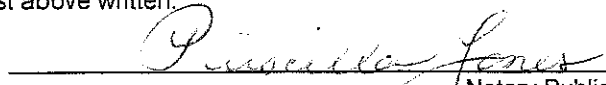
Secretary [SEAL]

STATE OF OKLAHOMA)
) ss.
COUNTY OF OKLAHOMA)

Before me, the undersigned, a Notary Public, in and for said County and State on this 27th day of August, 2007, personally appeared William D. Roberts, President of Fallbrook Owners Association, Inc. and Corbyn Roberts, Director of Fallbrook Owners Association, Inc. to me known to be the identical persons who subscribed their names to the foregoing instrument as President and Director of Fallbrook Owners Association, Inc., and acknowledged to me that they executed the same as their free and voluntary act and deed and as the free and voluntary act and deed of said entity, for the uses and purposes therein set forth.

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

My Commission Expires: 9-2-11



Notary Public

LVB/kt/L:\vb\Roberts Group, LLC\Fallbrook\Fallbrook Owners Assn Bylaws3.wpd

