



Doc#:R 2015 28252  
Bk&Pg:RB 4347 913-936  
Filed:11-18-2015 KLJ  
04:18:09 PM CS  
Canadian County, OK

24 I

**DECLARATION OF**  
**COVENANTS, CONDITIONS AND RESTRICTIONS OF**  
**CRESTONE RIDGE**  
**A RESIDENTIAL SUBDIVISION TO THE**  
**CITY OF OKLAHOMA CITY, CANADIAN COUNTY, OKLAHOMA**

**THIS DECLARATION** is made as of the 2nd day of November, 2015, by ROGREBO, Inc., an Oklahoma corporation, the Developer of Crestone Ridge, a subdivision to the City of Oklahoma City, Canadian County, Oklahoma, hereinafter referred to as "Declarant."

**WITNESSETH**

**WHEREAS**, Declarant is the owner of certain real estate located in the City of Oklahoma City, Canadian County, State of Oklahoma, consisting of portions of the **Southeast Quarter (SE/4) of Section 36, Township 13 North, Range 5 West of the Indian Meridian, Canadian County, Oklahoma**, as more specifically described on Exhibit A hereto, which property has been, or will be in the future, platted into blocks, lots, streets and easements, under the name of Crestone Ridge I (with later additions to be annexed thereto) as more particularly described in the Plat filed in Plat Book PL 9, Page 473 of the records of the Canadian County Clerk, attached hereto as Exhibit A, and such future Plats to be filed for said subdivision, including as part thereof permanent open areas, community pool, clubhouse, and other improvements, buildings and structures erected or to be erected thereon, and other common facilities and areas for the benefit of this particular community.

**WHEREAS**, Declarant expressly declares its intention to develop Crestone Ridge 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 5<sup>th</sup> day of October, 2015, under the laws of the State of Oklahoma, as a non-profit corporation, an entity known as Crestone Ridge Owners Association, Inc. for the purpose of exercising the aforementioned functions.

**DECLARATION**

**NOW, THEREFORE**, Declarant states and hereby declares that the real property described on the Plat appended hereto is and 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 or declaration 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 interest in the property. All of the areas in Crestone Ridge I, and all additions annexed thereto which are zoned and platted by the Declarant for single family residential use, 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 Crestone Ridge I, appended hereto, the Common Areas shall consist of Blocks A, B, C, D and E, inclusive.

Ret: Rogrebo Inc  
1300 Prenter Ln  
Edmond, OK 73013

**RECORDER'S MEMORANDUM**

At the time of recordation, this instrument was found to be inadequate for the best photographic reproduction because of illegibility, carbon or photo copy, discolored paper, etc.

**ARTICLE 1**  
**DEFINITIONS**

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

**1.1** "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, these Covenants and the Bylaws.

**1.2** "Association" shall mean and refer to Crestone Ridge Owners Association, Inc., a non-profit corporation to be incorporated under the laws of the State of Oklahoma, its successors and assigns.

**1.3** "Board" shall mean the Board of Managers of the Association.

**1.4** "Builder" shall mean a person or entity who has purchased, or contracted with Declarant to purchase, a Lot or Lots for the purpose of construction of a residence for sale to a third party.

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

**1.6** "Common Areas" mean and include all of the area on the Plats not included in the numerically identified lots to be separately owned, whether improved or unimproved, which are owned, leased or controlled by the Association for the common use and enjoyment of members of the Association, including the community pool facilities. On the Plat for Crestone Ridge I, appended hereto, the Common Areas are identified as Blocks A, B, C, D and E, inclusive.

**1.7** "Common expenses" means and includes:

**1.7.1** Expenses of administration, maintenance, repair or replacement of the Common Areas and improvements thereon;

**1.7.2** Expenses agreed upon as common by all the separate Owners or declared common herein or by provisions of the Bylaws, including maintenance of the Community Fence, as described herein, whether located upon Common Areas or upon privately owned Lots.

**1.8** "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.

**1.9** "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".

**1.10** "Member" shall mean and refer to an owner of a Lot or a Builder. All owners other than Declarant and Builders are Class A Members. Builders shall be Class B Members. Declarant shall be the Class C Member.

**1.11** "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.

**1.12** "Plat" shall mean each and every Plat filed by the Declarant and recorded in the records of the County Clerk of Canadian County, Oklahoma, which covers all or any portion of the Property and is platted as Crestone Ridge, or an addition annexed thereto. The original Plat is appended hereto as Exhibit A.

**1.13** "Property" means and includes the real property described in the Plat, and such future additions and annexations that are zoned and platted by Declarant for single family residential purposes within, or appurtenant to, the said Southeast Quarter (SE/4) of said Section 36, 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.

1.14 "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.

1.15 "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.

1.16 "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.

1.17 "Villas at Crestone Ridge" and/or "Crestone Ridge Villas" shall mean that portion of the Property platted or to be platted as a gated and controlled access portion of the Property.

1.18 "Villas Association" shall mean and refer to the Villas at Crestone Ridge Owners Association, Inc., a non-profit corporation to be incorporated under the laws of the State of Oklahoma, its successors and assigns.

1.19 "Villas at Crestone Ridge Common Expenses" shall mean the separate and additional common expenses and assessments associated with the maintenance peculiar and unique to the Villas at Crestone Ridge, inclusive of all costs for the administration, insurance, maintenance, repair or replacement of Common Areas within the area platted as the Villas at Crestone Ridge and the improvements located thereon, the private street located solely within the Villas at Crestone Ridge, the entry and exit gate, as well as maintenance associated with the lawns and shrubbery on the Lots located within the Villas at Crestone Ridge. The Villas at Crestone Ridge Expenses shall be common to, assessed against, and paid by, the Members of the Villas at Crestone Ridge Owners Association.

## **ARTICLE 2** **FUTURE INTENT**

2.1 **Future Additions.** Although this Declaration describes only the real property depicted on the original Plat of Crestone Ridge, appended as Exhibit A, it is the intention of the Declarant to cause additional declarations to be filed with respect to other property located within or appurtenant to the Southeast Quarter (SE/4) of said Section 36, which additional declarations will be complementary hereto or shall incorporate these Covenants. The future declarations will provide that the Owners of the Lots in such additions shall be Class A Members of the Association. **Owners of Lots within the area platted as the Villas at Crestone Ridge shall be Class A Members of both the Association and the Villas Association.** Builders shall be Class B Members of the Association. The Declarant, its successors or assigns, shall be the sole Class C Member of the Association. Such future declarations 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, or appurtenant to, the said Southeast Quarter (SE/4) of Section 36 which is, or may in the future be, platted by Declarant as a residential lot within Crestone Ridge, or any additions or annexations thereto.

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

If within twenty (20) years of the date of incorporation of the Association, the Declarant or its successors and assigns should develop additional lands within, or appurtenant to, the said Southeast Quarter (SE/4) of Section 36, such additional lands may be annexed to the Property and subjected to these Covenants without the consent of the Members.

## **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:

**3.1.1 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 appended Plat.

**3.1.2 Common Areas.** The remaining portion of the Property is referred to herein as "Common Areas", as graphically described on the appended Plat as Blocks A, B, C, D and E, inclusive, which Common Areas include all improvements located thereon.

**3.2 Lots Subject to Restrictions.** All Lots in Crestone Ridge, including all additions thereto, 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, and the rules and regulations adopted by the Association.

**3.3 Member's Nonexclusive Easement of Enjoyment, Limitations.** Every Member and his immediate family shall have a nonexclusive right and easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to the Lot owned by such Member, subject to the rights of the Association stated herein. Use of improvements located on Common Areas by Members, their families and guest, shall be subject to reasonable rules, regulations and fees adopted by the Association. The streets depicted on the Plat(s) are dedicated to the public for public uses. **Provided, the Common Areas within the Villas at Crestone Ridge, including the private street, entry and exit gate, shall only be common to, and subject to a nonexclusive right and easement of enjoyment of, the Members of the Villas Association, their immediate family and invitees.**

**3.4 Blanket Easements for Utilities and Drainage.** There is hereby created a blanket easement in, on, through, above and under the surface of the ground of the areas depicted as Utility and Drainage easements on the Plat(s) of Crestone Ridge, which easements are reserved for the purpose of drainage, as well as locating, constructing, erecting, maintaining, conducting and performing any public or quasi-public function or service, with rights of ingress and egress at any time for the purposes of installation, repair, maintenance, operation, replacement or removal of any such public or quasi-public utility or service. The Association shall maintain as a Common Expense the private drainage facility on Common Area C, as such maintenance may be required by the City of Oklahoma City.

**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 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 the Bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be amended from time to time, and with these Covenants.

**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 Members, Class B Members and the Class C Member.

**4.3.1 Class A Members.** Class A Members shall be all those Owners of single-family residential Lots with the exception of Class B and Class C Members. 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.

**4.3.2 Class B Members.** Class B Members shall be Builders who have purchased, or contracted with Declarant to purchase, a Lot or Lots. Class B Members shall not be entitled to vote on Association matters.

**4.3.3 Class C Member.** The Class C member shall be the Declarant. The Class C membership shall cease to exist when Declarant and Class B Members (i) own no interest in any Lot in Crestone Ridge, as same is shown on the Plat appended as Exhibit A, and (ii) own no interest in any Lot in any additions which may be subjected to these Covenants in the future.

**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 Member 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 Managers.** The affairs of the Association shall be managed by a Board of Managers ("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 Class A Member, by acceptance of a deed for a Lot, and each Class B Member, by acceptance of a deed for any Lot or execution of a contract to purchase a Lot from Declarant, 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 the assessments set forth herein, each such assessment to be fixed, established, and collected from time to time as herein-after provided. The purchase, annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Member's 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 shall also be the personal obligation of the person who was the Owner of (or in the case of Builders, who had purchased or had contracted to purchase) such property at the time when the assessment fell due. The personal obligation shall not pass to successors in title unless expressly assumed, but, nevertheless, the lien shall continue to be a charge and lien as above provided.

**5.2 Purchase Assessments.** Upon the initial sale by Declarant of each Lot to a Builder or other original purchaser, or upon the execution of a contract to purchase between a Builder and Declarant, there shall be immediately due and owing to the Association, a Purchase Assessment in the amount of Three Hundred Dollars (\$300.00) per Lot transferred or subject to the contract to purchase, which amount is assessed, due and payable, as of the date of such transaction. All of such assessments shall be deposited into the Association's account(s) as provided in the Bylaws.

**5.3 Annual Assessments.** Commencing on January 1, 2016, and on the first day of each year thereafter, there shall be an annual assessment due from each Class A and Class B Member for each Lot owned (or subject to a contract to purchase) the amount of which shall be as set forth herein:

<u>Type of Member</u>	<u>Amount</u>
Class A	\$450.00
Class B	\$250.00
Class C	\$ 0.00

The annual assessment shall be assessed, due and payable, without formal action of the Board or Association, against each Lot and the record title owner thereof. In the event an annual assessment is not paid when due, the amount of the assessment shall be increased by any attorney fees and costs incurred by the Association in collecting the assessment against the Owner(s), including Court costs. All Owners of Lots within Crestone Ridge, or any addition thereto, shall be subject to the Assessments provided herein, including the Annual Assessment, notwithstanding such Owners (including all the Owners with the Villas at Crestone Ridge) may also be subject to additional assessments imposed by other covenants and declarations filed by Declarant.

**5.3.1 Commencement Date of Annual Assessments for Class B Members.** The annual assessment for all Members shall be due and payable on or before January 15th. Provided, if a Class B Member shall acquire a Lot subsequent to the assessment date of January 1<sup>st</sup>, the Member shall pay, in addition to the Purchase Assessment, a pro rata share of the annual assessment calculated by multiplying the appropriate Assessment amount times a fraction, the numerator being the number of days remaining in the calendar year at the time the Class B Member purchased or contracted with Declarant to purchase the Lot and the denominator being 365. If the Class B Member shall sell the Lot to a Class A Member during the calendar year for which an assessment has been paid, the Class B Member shall be entitled to a prorated refund of the assessment. The amount refunded shall be determined by multiplying the Class B annual Assessment amount times a fraction, the numerator being the number of days remaining in the calendar year upon the sale of the Lot to a Class A member and the denominator being 365.

**5.3.2 Commencement Date of Annual Assessments for Class A Members.** The annual assessments provided for herein as to Class A Members 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 times the days remaining in calendar year/365. The initial annual assessment shall be assessed, due and payable upon closing of the transaction wherein the Lot is transferred to a Class A Member. Thereafter, annual assessments shall be due in full as of January 1<sup>st</sup>, payable by January 15<sup>th</sup>, and due from the Owner of the Lot occupying same as of January 1<sup>st</sup>.

**5.4 Increase or Decrease of Annual Assessment.** From and after September 1, 2016, the Board, after consideration of current maintenance costs and future needs of the Association may increase or decrease the annual assessment of Class A Members. Any increase in an annual assessment amount shall not exceed a maximum of 10% per year, effective as of the following January 1st, without a vote of the members. Increases in the annual assessments of Class A Members in excess of 10% per year must be approved by a majority of the Class A Members in attendance (or by proxy) at a meeting specially called for such purpose, written notice of which shall be sent to all Members not less than fifteen (15) and not more than thirty (30) days in advance of the meeting setting out the purpose of the meeting. There shall be no increase in the annual assessment paid by the Class B Member(s) without the express written approval of same by the Class C Member. Provided, in the event a Builder or his tenant occupies a structure as a residence, then the Builder will be deemed to be a Class A Member in regard to said Lot.

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 subject the Class C Member to an Assessment by the Association and/or which would increase the amount of the assessments on Class B Members, unless the Class C Member consents in writing thereto.

Provided further, Declarant shall pay deficits and necessary reserves required for the Association to pay annual operating expenses. Upon majority vote of the Board of Managers, the Association may assess the amount of any such unpaid deficit or necessary reserve as a lien against the Lots owned by Declarant. All liability of Declarant for reserves and deficits to the Association's budget shall terminate

upon the earlier event of: (a) ownership by Class A Members of 50 or more Lots in Crestone Ridge; or (b) December 30, 2024.

**5.5 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 capital improvement on or related to the Common Areas, including the community pool, buildings, fixtures and personal property or fences located on the Common Areas, or to defray any unanticipated or underestimated expense normally covered by the purchase assessment or any regular 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 Members in attendance (or by proxy) at a meeting called for such purpose, written notice of which shall be sent to all Members not less than fifteen (15) 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, other than Declarant, to reimburse the Association for costs (including attorney fees and court costs) incurred in bringing that Owner and his Lot into compliance with these Covenants and/or the Bylaws. In the event the Board imposes, after notice and hearing, a monetary penalty against an Owner for violation of a Covenant or the duly adopted rules and regulations of the Association, which penalty remains unpaid after thirty (30) days, the Board may specially assess the penalty against the Lot owned by the penalized Owner.

**5.6 Purpose of Assessments; Management of Common Profit.** The assessments, including the purchase assessment and any annual or special assessments which may be levied by the Association, shall be used exclusively to provide for the administration of the Association (including enforcement of these Covenants and the collection of the Assessments) and for the management and maintenance of the Common Areas for the common good of the Property and Members. Annual assessments shall include an adequate reserve fund to insure, maintain and repair the Common Areas. To the extent the Assessments generate a Common Profit, the Common Profit shall be maintained in the Association's account and expended solely to defray management and maintenance expenses for the common good of the Property and Members. In the event the Assessments generate Common Profit in excess of that deemed necessary by the Board for prudent management of the Property, the Board may propose a reduction in the Annual Assessment amount. Any reduction in the Annual Assessment amount must have the specific written approval of the Declarant if Declarant owns 15 or more Lots in Crestone Ridge, including any addition annexed thereto, and must be approved by a majority of the votes cast by the Members at the annual Association meeting or at a special meeting specifically called for such purpose.

**5.7 Allocation of Assessments.** Each Lot owned by Class A Members shall bear an equal share of any aggregate regular and special assessment, other than special assessments levied against an individual Owner pursuant to ¶ 5.5 to recover costs incurred by the Association for covenant compliance purposes or levied under ¶ 5.9.

**5.8 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 were 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 of the same shall be jointly and severally liable with the grantor for all unpaid assessments by the Association against the latter 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, any such grantee shall be entitled to a statement from the Association setting forth the amount of the unpaid assessments due the Association and 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. The grantee shall be liable for any such assessment becoming due after the date of any such statement.

**5.9 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 ten percent (10%) per annum from the due date until paid. When a notice of assessment and/or lien has been recorded against a Lot, such assessment, inclusive of all attorney fees and court costs associated with the collection of the assessment and/or filing and enforcement of the lien, shall constitute a lien on the Lot that 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 may be enforced and foreclosed under Oklahoma law 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 assessments may be filed by the Association 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.

## **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:

**6.2.1 Maintenance and Repairs.** Maintain, insure, repair, replace, restore, operate and manage all of the Common Areas.

**6.2.2 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.

**6.2.3 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.

**6.2.4 Rules and Regulations.** The Board shall adopt and enforce such rule and regulations as the Board deems desirable for the use, security 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.

## **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 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 for the Project, 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. The Board shall have the power to make and to enforce reasonable rules and regulations in furtherance of this provision.

**7.2 Use of Lots.** Except as may be provided herein below, each Lot shall be used for single family Residential Use purposes only, and no trade or business of any kind may be carried on therein. Provided, the restriction of "Residential Use" shall not prohibit an Owner from maintaining a home office within a residence, so long as such office is not open to the public or business invitees. Lease or rental of a Lot for Residential Use purposes shall not be considered to be a violation of this covenant. Any lessee or tenant shall in all respects be subject to the terms and conditions of these Covenants, the Bylaws and any rules and regulations adopted hereunder. Without the prior written consent of the Board, nothing shall be done or kept on any Lot or on the Common Areas which would increase the rate of insurance charged to the Association for the Property over what the Association, but for such condition or activity, would pay.

**7.3 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 Crestone Ridge, and as to the location of the building with respect to topography and finished ground elevation by a building committee composed of MARK BONADEO and JOE ROBERTS and CECIL GREGORY, or by a representative designated by a majority of the members of said committee (the "Original building Committee"). In the event of the death or resignation of any member of the Original Building Committee, the remaining member or members shall have full authority to approve or disapprove such building plans, design and location. In the event the Original Building Committee fails to approve or disapprove such building plans, 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.

Unless they shall sooner resign, the Original Building Committee shall dissolve effective December 31, 2030. Thereafter, the Board shall determine whether to continue the building committee and/or to transfer its functions to the Board of the Association. Should a building committee be utilized by the Board, the building committee shall consist of three individuals, all of whom must also be Managers of the Association, who shall serve for such terms as may be designated by the Board. The building committee may act upon its own motion or upon the written request of any Owner. In the event the Board elects to install a building committee, any action taken by the building committee upon an Owner's request to the building committee shall be confirmed in writing, which writing shall be recorded in the Board's minutes. Should the building committee fail to approve or disapprove such building plans, design and location within thirty (30) days after submission of a written request, the Owner shall request approval of design, location and building plans from the Board. In such event, the Board must act within thirty (30) days of the receipt of such request from an Owner or such request shall be deemed approved as submitted by the Owner.

The Association, building committee, Board (or any of their designated representatives) or any Owner may institute suit to enjoin or to remove 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 building committee nor its designated representatives shall be entitled to any compensation for

services performed pursuant to this covenant. Unless they shall sooner resign, the original members of the building committee, and their successors, shall be replaced, effective January 1, 2025, with three individuals, all of whom must be Owners, who shall serve for such terms as designated by the Board.

**7.4 Structural Size Restriction.** The floor area of the main structure, exclusive of porches, basements and garage(s), shall not be less than 2100 square feet.

**7.5 Brick or Stone Construction.** Unless otherwise approved by the building committee, the principal exterior of the first floor of any residence, excluding the roof, shall be at least seventy percent (70%) brick, stone or stucco, as approved by the Building Committee, and thirty percent (30%) may be frame wood or other materials which will blend together with the brick, stone or stucco. It is the intent of this restriction to allow panels of other materials other than brick, stone or stucco to be used, but in no event shall a continuing wall consisting of thirty percent (30%) or more of the exterior of the residence be built of any material other than brick, stone or stucco. This restriction is intended to restrict the principal exterior of the first floor of residences to masonry in their construction, but may be modified to allow use of other materials to blend with the masonry to eliminate repetition of design, provided such modification must be approved in writing, in advance, by the building committee. No wood fireplace chimneys or chases will be allowed. All wood burning fireplaces must have a brick, stone or stucco chimney or chase.

**7.6 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.

**7.7 Roof Construction.** Unless otherwise approved by the building committee in writing, the roof of each residential structure, including garages and detached structures, shall be constructed with CertainTeed Landmark MaxDef shingles, or an equivalent or superior shingle approved by the building committee, which shingles shall be of weathered wood color. 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 the Property. All such variances must be approved in writing by the building committee.

**7.8 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. Generally, 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. Chimney chases shall be allowed to reasonably protrude beyond the side and rear Lot set back lines. No building structure or part thereof shall be erected or maintained within fifteen feet (15') of the back Lot line. Set back requirements for corner Lots are reflected on the Plat.

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

**7.10 Pets.** No animals, livestock or poultry of any kind shall be raised, bred, or kept on any lot or building site, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes.

**7.11 Vehicle Restrictions.** No trailer, recreational vehicle, camper (including a camper shell on a pickup truck or other vehicle), mobile home, commercial vehicle, truck (other than standard size pickup truck), inoperable vehicle, boat or similar equipment shall be permitted to remain upon any Lot, Common Area or street, except within a completely enclosed garage, 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 marking of a commercial nature on such vehicles shall be unobtrusive and

inoffensive as determined by the Association. No noisy or smoky vehicles shall be operated on the Property. No off-road unlicensed motor vehicles shall be maintained or operated on the Property.

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

**7.13 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.

**7.14 Radio and Television Antennas.** No radio tower shall be constructed or installed upon any Lot or Common Area. No alteration to, or modification of, a central radio or television antenna or cable system, whichever is applicable, shall be permitted and 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 twenty inches (20"), without the written consent and approval of the building committee.

**7.15 Outbuildings.** No outbuildings, structures, sheds or storage buildings shall be constructed or located on any Lot. Provided, gazebos, open sided play forts and play structures shall not be considered "outbuildings" so long as same are not taller than ten (10') from ground level at any point, are located entirely behind the rear of the house, and are used solely for their customary purposes, and not for storage or residential use.

**7.16 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 on the Property except wholly within the garage of a residence.

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

**7.18 Liability of Owners for Damage to Common Areas.** The Owner of each Lot shall be liable to the Association for all damages to the Common Areas or improvements thereon caused by such Owner or any occupant or guest of such Owner.

**7.19 Community Fence and Special Fence Restrictions.** All fences on rear or side lot lines that abut another residential lot shall be stockade fences, constructed with steel posts on 8' centers. All fences shall be set back on each side of the residential structure at least three feet (3') from the front corner of the structure. Except as to the Community Fence, the Owner of the Lot shall be responsible for maintaining the fence on such Owner's Lot in good repair and replacement of the fence and supporting structures, as needed.

The Association shall maintain, repair and replace, as necessary, the **Community Fence**. The costs to maintain, repair and/or replace the Community Fence shall be a Common Expense. The Community Fence is described as any fence or wall constructed on any Lot line of Common Areas A, B, C, D, E, or a street right of way. As to Lots which abut the Community Fence, the Community Fence shall be the only fencing allowed on or parallel to such boundary.

**Fence Restrictions Applicable to Corner Lots and Lots Appurtenant to Certain Streets and Common Areas.** If a fence is installed on any corner Lot, or any Lot which abuts either on the side Lot line or rear Lot line to Cloverdale Way, Crestone Drive, Gilway Drive, any interior street, or any Common Area, same shall be a stockade fence (except where the Community Fence is in place on such rear or side boundary line). All such fences shall be uniform in design and shall be constructed of six foot (6') stockade panels with 4" staves, installed with steel posts spaced on eight foot (8') centers, and with the posts and support structures for fence panels installed on the residential Lot side of the fence, leaving the picket side of the fence forming a uniform and consistent facing to the street or Common Area. No other fence shall be permitted on the Lot lines which abut said streets or Common Areas. Extensions, additions or modifications to such fence are prohibited without the prior written approval of the building committee. Except as to the Community Fence, the Owner of the Lot shall be responsible for maintaining the fence on such Owner's Lot in good repair and replacement of the fence and supporting structures, as needed.

**7.20 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 of existing structures, and/or as to the location of the building or structure with respect to topography and finished ground elevation. All such waivers shall be documented by written confirmation sent to the Owner(s) who requested such waiver and by filing a copy thereof in the Minutes of the Association.

**7.21 Warranty of Enforceability.** While the Declarant has no reason to believe that any of the restrictive covenants of this Article 7 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 Crestone Ridge 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 defend and hold the Declarant, its representatives, successors and assigns, harmless therefrom.

**7.22 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 upon the Property, nor shall any alteration or improvement of any kind be made to any previously constructed structure, unless same complies with the provisions of this Article and shall have been approved in writing by the building committee.

**7.23 Enforcement and Access by Managers and Building Committee.** 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 as are ordered by the Court; 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. Neither Declarant, developer or any member or designated representative of the original Building Committee shall be liable to the Association, any Member of the Association, or any third party for claims arising from the enforcement of, or failure to enforce, the terms, conditions and provisions of this Declaration, or any waiver thereof, whether such action be intentional, unintentional or negligent.

**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 Project 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 a majority of the Owners; 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 Canadian County, Oklahoma.

**8.4 Mortgage Protection Clause.**

**8.4.1 Rights of First Mortgagees.** No breach of any of the Covenants, Conditions and Restrictions contained in this document, nor the enforcement of any lien provisions herein, shall render invalid 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, Conditions and Restrictions shall be binding upon and be effective against any Owner whose title is derived through foreclosure or trustee's sale or otherwise.

**8.4.2 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 insured 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.

**8.5.1 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. The acquisition of insurance by the Association shall be without prejudice to the right of any Owners to obtain additional individual insurance.

**8.6 Owners' Compliance.** Each Owner, tenant or occupant of a Lot shall comply with the provisions of the Association's Bylaws, these Covenants, the rules and regulations of the Association, and all decisions and resolutions of the Association or its duly authorized representative, and failure to comply with any such Bylaws, Covenants, rules, regulations, provisions, decisions or resolutions shall be grounds for an action to recover sums due for damages (including costs and attorney fees) and/or for injunctive relief. All agreements and determinations lawfully made by the Association in accordance with the voting

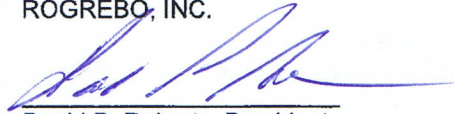


percentage established in this document or in the Bylaws shall be deemed to be binding on all Owners of Lots, their successors and assigns.

**8.7 Service of Process.** The name of the person to receive service of process together with the residence or place of business of such person is Mark Bonadeo, 7000 N. Midwest Blvd., Oklahoma City, Oklahoma 73141, or such other person as the Board may designate by an amendment hereto filed solely for that purpose.

**IN WITNESS WHEREOF**, the undersigned has executed this document this 2nd day of November, 2015.

ROGREBO, INC.

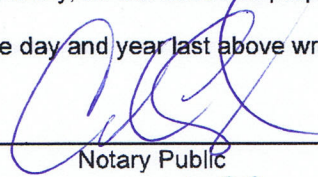


David P. Roberts, President

STATE OF OKLAHOMA        )  
  ) ss  
COUNTY OF OKLAHOMA    )

Before me, the undersigned, a Notary Public, in and for said County and State on this 2nd day of November, 2015, personally appeared David P. Roberts of ROGREBO, Inc. to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its President 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  
Comm # 99010680

My Commission Expires: 8.1.19



**EXHIBIT "B" to  
Declaration of Covenants, Conditions  
And Restrictions of Crestone Ridge**

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

**ARTICLE I  
NAME**

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

**ARTICLE II  
PURPOSE AND PARTIES**

2.1 **Purpose.** The purpose of the organization shall be the administration and maintenance of the Property described in the Declaration of Covenants, Conditions and Restrictions of Crestone Ridge (the "Covenants"), which Property specifically includes all areas currently platted as a part of Crestone Ridge, a residential subdivision to the City of Oklahoma City, Oklahoma, as shown by the recorded Plat thereof, and all property which may in the future be subjected to the Covenants by amendment thereof or otherwise, of which these Bylaws are a part. The administration and maintenance of the Property shall be in accordance with the Covenants, these Bylaws, the Rules and Regulations adopted by the Association, 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  
LOT OWNERS**

3.1 **Membership.** Any person on becoming an owner of a lot, and any Builder who purchases or contracts with Developer to purchase a lot or lots on Property subjected to the Covenants shall automatically become a member of Crestone Ridge 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 or a contract to purchase 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.

3.2 **Class of Membership and Assessments.** 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 or a Builder. Owners of lots within the Villas at Crestone Ridge shall be Class A members of the Association, as well as Class A members of the Villas Association. 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). A Builder who occupies or leases a residence prior to the sale of the lot to a third party shall be deemed a Class A Member as to each such lot. The Class C member shall be the Developer.

**3.3 Assessments.** Lots owned by Class A and Class B members shall be subject to annual and special assessments, as set forth in the Covenants. The Class B members shall not be subject to special assessments. The Class C member shall not be subject to either annual or special assessments. Additionally, a purchase assessment in the amount of \$250 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 regular or special assessments by the Association. However, the Class C member shall pay the deficits of the Association's operating budget until the earlier of (a) ownership by Class A members of 50 or more lots; or (b) December 30, 2024.

The provisions of this Section of the Bylaws may not be altered or modified by the Association except by the written approval of the Class C member, which written approval shall be recorded in the minutes of the Association.

**3.4 Annual Meetings.** Regular annual meetings of members of the Association shall be held at a residence on the Property 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 September 1, 2016.

**3.5 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 Developer.

**3.6 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 Property. The Board shall give the Developer written notice of the annual meeting at least fifteen (15) days prior to the scheduled meeting date. The Board shall give Developer written notice of all special meetings at least five (5) days before any special meeting.

**3.7 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 of which notice has been given as set forth herein, except as may otherwise be provided herein.

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

**3.9 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 B members shall have no voting privileges on Association matters. The Class C member shall be entitled to six (6) votes for each lot owned by Class B and the Class C Members. Each vote shall have equal value.

**ARTICLE IV**  
**BOARD OF MANAGERS; SELECTION; TERM OF OFFICE**

**4.1 Number and Term of Managers.** The Association shall be governed by a Board of Managers (the "Board"). Except for the initial Board, the Board shall consist of seven (7) managers, each of whom shall be a lot owner or an agent of Developer (while Developer remains a lot owner). The managers shall serve concurrent terms of one (1) year. At least 2 of the 7 managers shall be an Owner within the area platted as the Villas at Crestone Ridge. The initial managers, who shall be appointed by the Developer, or its successor, shall serve until the first meeting of the Association; thereafter, all managers shall be elected and removed according to these Bylaws. So long as the Developer owns more than 5% of the lots subject to the Covenants, Developer shall be entitled to elect one (1) of the seven (7) managers, who is not required to be a lot owner.

**4.2 Election of Board of Managers.**

**4.2.1 Nominations.** Nominations for election to the Board (for election of managers which are not appointed or elected by Developer 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. Provided, at least two (2) managers on the Board shall be owners of Lots within the Villas at Crestone Ridge.

**4.3 Vacancies.** Vacancies in the Board caused by any reason other than the removal of a manager by a vote of the members shall be filled by a vote of the majority of the remaining managers, even though they may constitute less than a quorum, and each person so elected shall be a manager 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 MANAGERS**

**5.1 Regular Meetings.** Regular meetings of the Board shall be conducted at the same time as the annual meeting of the members, and periodically 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) managers other than the President. Notice shall be provided to all managers 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 managers at any meeting of the Board shall constitute a quorum for the transaction of business and the acts of a majority of the managers 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 managers, 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.

Notice of the regularly scheduled Board meetings for the upcoming calendar year may be provided to members at the annual meeting.

**5.5 Fidelity Bonds.** The Board may obtain adequate fidelity bonds for all officers and employees of 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 Managers.** 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 Developer, to contract with the Developer and affiliated corporations without fear of being charged with self-dealing. Every agreement made by the Board or by the managing agent or by the manager on behalf of the Association shall provide that the members of the Board, or the managing agent or the manager, as the case may be, are acting only as agents for the lot owners and shall have no personal liability. Except for the indemnification provisions set forth herein, no member of the Association shall be liable for the acts or inactions of the Association. In the event a court of competent jurisdiction determines in a final judgment that member(s) are individually liable for the Association's contracts, acts or inactions, the liability of any lot owner shall be limited to such proportion of the total liability thereunder as his interest in the Property bears to the total of all ownership interests in the Property.

## **ARTICLE VI** **POWERS AND DUTIES OF THE BOARD OF MANAGERS**

**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 regular 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 reserves for capital expansion, repair, taxes, insurance and maintenance shall be immediately transferred to, and held in, a trust fund or other 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 shall consist solely of amounts received as membership dues, fees or assessments from lot owners.
- b. At least 90% or more of the expenditures of the Association 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 managers 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 manager 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 Developer 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.

6.2.3 The funds of the Association shall be deposited and maintained in an interest bearing account with an institutional bank, 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. All funds of the Association shall be used exclusively for the use and common benefit of the Association.

## 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 Developer 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 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 accounts of the Association, the Assessments as set forth herein and in the Covenants. The monies collected from said Assessments shall be invested by the Board in an interest bearing account and shall be utilized to pay the Common Expenses, as described in the Covenants. All assessments shall be used exclusively to promote the health, safety and welfare of all residents in Crestone Ridge and as specifically set forth in the Covenants.

### **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 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 and regulations. Provided, an owner subject to such possible penalties (other than assessments levied for actual costs, attorney fees and expenses incurred by the Board in efforts to collect delinquent payments of annual or special assessments from a member) shall be given reasonable notice and the opportunity to be heard by the Board with respect to the alleged violations before a decision to impose discipline is reached. In the case in which monetary penalties are to be imposed, such penalties shall be according to a schedule of penalties related to specific offenses, which schedule shall be proposed by the Board and approved by the vote or written assent of a majority of the voting power of each class of membership. Such penalties shall bear a reasonable relationship to the conduct for which the penalty is imposed and may only be imposed prospectively.

### **ARTICLE 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 manager 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 manager includes the right to make extracts and copies of documents.

## **ARTICLE XI** **AMENDMENT OF BYLAWS**

These Bylaws and the Covenants may be amended by a vote or written assent of the owners of at least sixty percent (60%) of the Members, each Member having the number of votes as set forth in the Covenants. Provided, the particular requirements set forth in 60 Okla. Stat. §§ 851 through 855, inclusive, as same may be amended from time to time, shall be embodied in the Bylaws. Such modification or amendment to the Covenants shall not become operative unless set forth in an instrument duly recorded in the office of the County Clerk of Oklahoma County, Oklahoma and indexed against the Property. Provided, however, provisions within the Covenants and these Bylaws applicable to annual or special assessments against Class C Member(s) and Class B members, notices to the Class C member, as well as the per lot votes allocated to each class of membership, can only be amended or modified by the written consent and authorization of the Class C Member, which written consent and authorization must be duly recorded in the Association's records.

## **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 annual, regular and/or special assessment, shall be the personal and individual debt of the owner(s) thereof. 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 Developer, Officers and Managers.** The Developer, the Developer's officers, agents and managers, and each manager and officer of the Association, 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 Developer of the Property, and/or as a manager or an officer of the Association, except in cases of fraud, gross negligence or bad faith of the manager or officer in the performance of his duties.

**12.3 Building Committee.** The Board shall appoint a building committee. The Original Building Committee shall consist of three (3) members. The Original Building Committee shall consist of Joe Roberts, Mark Bonadeo and Cecil Gregory, or such other designated representatives appointed by Developer to serve in such capacity. The Original Building Committee shall serve in such a capacity until December 31, 2024. In the event of earlier resignation or death of a member of the Original Building Committee, the remaining members may act exclusively or 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 under these Bylaws and/or the Covenants may be delivered either personally or by mail or as otherwise specifically provided in the Covenants. If delivery is by mail, it shall be deemed to have been given three (3) business days 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, that notice of regular or special meetings of members and the Board may be mailed without a return receipt requested and/or otherwise conspicuously posted on the Property. Provided further, that notice to members of the Original Building Committee or to the Developer must be given in writing, addressed to such individuals c/o ROGREBO, Inc., P.O. Box 424, Spencer, Oklahoma 73084.

**ESTABLISHMENT OF BYLAWS**

We, the undersigned, being the Developer and all of the managers appointed by Developer, pursuant to the Covenants, Conditions and Restrictions of Crestone Ridge and these Bylaws, do hereby certify the foregoing to be the Bylaws of Crestone Ridge Owners Association, Inc. and, by our signatures hereto, do hereby adopt the foregoing Bylaws as of the 22nd day of October, 2015.

ATTEST:

**CRESTONE RIDGE OWNERS  
ASSOCIATION, INC.**

\_\_\_\_\_  
Mark Bonadeo, Secretary

By: \_\_\_\_\_  
Cecil Gregory, President

STATE OF OKLAHOMA            )  
  ) ss.  
COUNTY OF OKLAHOMA        )

Before me, the undersigned, a Notary Public, in and for said County and State on this 23 day of October, 2015, personally appeared Cecil Gregory of Crestone Ridge Owners Association, Inc., to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its President 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 Crestone Ridge Owners Association, Inc., 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:

\_\_\_\_\_