



By-Laws of Oak Tree Home Owners Association, Inc.

BY-LAWS OF OAK TREE HOME OWNERS ASSOCIATION, INC.

ARTICLE I

NAME, MEMBERSHIP, APPLICABILITY AND DEFINITIONS

Section 1. Name. The name of the Association shall be Oak Tree Home Owners Association, Inc. (hereinafter sometimes referred to as the "Association").

Section 2. Membership. The Association shall have two (2) classes of membership, Class "A" and Class "B", as more fully set forth in the Articles of Incorporation of the Association and that certain Declaration of Covenants, Conditions, and Restrictions for Oak Tree (said Declaration, as amended, renewed or extended from time to time, is hereinafter sometimes referred to as "the Declaration").

Section 3. Definitions. The words used in these By-Laws shall have the same meaning as set forth in said Declaration unless the context shall prohibit.

ARTICLE II

MEETINGS, QUORUM, VOTING, PROXIES

Section 1. Place of Meetings. Meetings of the Association shall be held at the principle office of the Association or at such other suitable place convenient to the Owners of Lots as may be designated by the Board of Directors.

Section 2. Annual Meetings. The Association shall meet annually thirty (30) days prior to the close of the fiscal year as herein provided or initially set by the Board of Directors. After the first annual meeting, the succeeding meetings shall be held on the anniversary date or within one week thereof in each year on such day as may be formally set by the Board.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Association if so directed by resolution of the Board of Directors or upon a petition signed by at least twenty-five (25%) percent of the votes of the Class "A" members of the Association. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

Section 4. Notice of Meetings. It shall be the duty of the Secretary to mail or to cause to be delivered to the owner of record of each Lot a notice of each annual or special meeting of the Association stating the purpose of this special meeting as well as the time and place where it is to be held; if an Owner wishes notice to be given at an address other than his or her Lot, the Owner shall have designated by notice in writing to the Secretary such other address. The mailing or delivering of a notice of meeting in the manner provided in this Section shall be considered service of notice.

Section 5. Adjournment of Meetings. If any meetings of the Association cannot be held because a quorum is not present, a majority of the Owners of Lots who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 6. Voting. The voting rights of the members shall be as set forth in the Declaration and subject to the veto power as more fully set out in Article III, Section 15.

Section 7. Proxies. A vote may be cast in person or by proxy. Proxies may be given to any person and shall be valid only for the particular meeting designated therein and must be filed with the Secretary before the appointed time of the meeting.

Section 8. Majority of Owners. As used in these By-Laws, the term "majority" shall mean those votes, Owners, or other group as the context may indicate totaling more than fifty (50%) percent of the whole.

Section 9. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence in person or by proxy of a majority of the Owners of Lots shall constitute a quorum at all meetings of the Association.

Section 10. Conduct of Meetings. The President shall preside over all meetings of the Association and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted by the meeting as well as a record of all transactions occurring thereat. **Robert's Rules of Order** (current edition) shall govern the conduct of all meetings of the Association when not in conflict with the Declaration or By-Laws.

ARTICLE III

BOARD OF DIRECTORS, NUMBER, POWERS, MEETINGS

Section 1. Governing Body. The affairs of the Association shall be governed by a Board of Directors.

Section 2. Initial Directors. The initial Directors shall be selected by the Class "B" member of the Association and shall serve at the pleasure of the Class "B" member until the Class "B" membership terminates as provided in the Declaration, unless the Class "B" member shall earlier surrender this right to select directors. The Directors selected by the Class "B" member of the Association need not be Owners or residents in the Community. The names of the initial Directors selected by the Class "B" member are as set forth in the Articles of Incorporation of the Association.

Section 3. Number of Directors. The number of Directors of the Association shall be fixed by resolution of the Board of Directors but in no event shall the number be less than three nor more than five.

Section 4. Nomination of Directors. Except with respect to Directors selected by the Class "B" member of the Association, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine but in no event less than the number of vacancies or terms to be filled.

Section 5. Election and Term of Office. So long as there shall be a Class "B" membership, or until such earlier date as the Class "B" member shall determine, the Class "B" member shall appoint all Directors, who shall serve at the pleasure of the Class "B" member. Directors appointed by the Class "B" member need not be owners or residents in the Community. At the first annual meeting of the membership after the termination of such Class "B" membership, and at each annual meeting of the membership thereafter, Directors shall be elected. The initial terms of the Directors shall be fixed at the time of their election. The term of one Director shall be fixed at one year; the term of one Director shall be fixed at two years; and the

term of one Director shall be fixed at three years. If more than three Directors are elected, the fourth and fifth Directors' initial terms shall be fixed at one year. At the expiration of the initial term of office of each respective member of the Board of Directors, a successor shall be elected to serve for a term of three years. The members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association.

Section 6. Removal of Directors. Upon the termination of the Class "B" membership, at any regular or special meeting of the Association duly called, any one or more of the members of the Board of Directors may be removed with or without cause by a majority of the Owners of Lots and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Owners of Lots shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting.

Section 7. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by a vote of a majority of the remaining Directors at a special meeting of the Board of Directors held for that purpose promptly after the occurrence of any such vacancy, even though the Directors present at such meeting may constitute less than a quorum; and each person so elected shall be a member of the Board of Directors for the remainder of the term of the member so removed and until a successor shall be elected at the annual meeting of the Association, at which such Director's position would be filled in accordance with Section 4 of this Article III; provided, further, vacancies occurring with respect to Directors selected by the Class "B" member of the Association shall be filled by such Class "B" member.

Section 8. Organization Meeting. The first meeting of the members of the Board of Directors following the annual meeting shall be held within ten (10) days thereafter at such time and place as shall be fixed by the Board and no formal notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

Section 9. Regular Meeting. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least four such meetings shall be held during each fiscal year.

Section 10. Special Meetings. Special meetings of the Board of Directors may be called by the President upon five (5) days' notice to each Director, given personally or by mail or telegraph or telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice upon the written request of at least two (2) Directors.

Section 11. Waiver of Notice. Any Director may, at any time, in writing, waive notice of the meeting of the Board of Directors and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver of notice by her or him of the time, place and purpose of such meeting. If all Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

Section 12. Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

Section 13. Compensation. No Director shall receive any compensation from the Association for acting as such unless approved by a majority vote of those present in person or by proxy at a regular or special meeting of the Association.

Section 14. Conduct of Meetings. The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings. **Robert's Rules of Order** (current edition) shall govern the conduct of the meetings of the Board of Directors when not in conflict with the Declaration or these By-Laws.

Section 15. Powers. (a) The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs in accordance with the Declaration and these

By-Laws and as provided by law, and may do all acts and things as are not by the Declaration, Articles, or these By-Laws directed to be done and exercised exclusively by the members. The Board shall have the power to adopt rules and regulations deemed necessary and to impose sanctions for violation thereof, including, without limitation, fines which may be collected as provided in the Declaration for assessments.

(b) From the termination of the Class "B" membership, the Declarant shall have a veto power over all actions of the Board and of the membership as is more fully provided below. This power shall expire when the Class "A" votes other than those owners formerly owning Class "B" votes, equal to one thousand two hundred seventy-five (1,275), the Declarant voluntarily relinquishes the power, or December 31, 1991, whichever occurs first. This veto power shall be exercisable only by Declarant, its successors, and assigns. The veto shall be exercised as follows:

No action approved by the vote of the membership or authorized by the Board of Directors shall become effective, nor shall any action, policy or program be implemented until and unless:

(a) Declarant shall have been given written notice of all meetings by certified mail, return receipt requested, or by personal delivery, at the address it has registered with the Secretary of the Association, as it may change from time to time which notice complies with Article II, Section 4 and with Article III, Sections 9 and 10 of the By-Laws as to regular and special meetings, and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting; and

(b) Declarant shall be given the opportunity, at any such meeting of the Board and, as a Class "A" member at any meeting of the members, if Declarant so desires, to join in, or to have its representatives or agents join in, discussion from the floor of any prospective action, policy, or program to be implemented by the Board. Declarant and its representatives or agents shall make its concerns, thoughts, and suggestions known to the members of the Association and/or Board. Except with the written consent of the Declarant or its representatives, the first vote taken subsequent to such discussion as to such prospective action, policy, or program shall be taken at a meeting held no less than ten (10) days subsequent to the date of the meeting in which the prospective action, policy, or program was first discussed. The time of the

subsequent meeting shall be fixed at the first meeting, and such subsequent meeting shall be considered to be a continuation of the original meeting. At such meeting, Declarant shall have, and is hereby granted, a veto power over any such action, policy or program authorized by the membership or the Board of Directors and to be taken by said Board, the Association, or any individual member of the Association if Board approval is necessary for said member's action. Said veto may be exercised by Declarant, its representatives, or agents in the subsequent meeting held pursuant to the terms and provisions hereof. Provided, however, that the Board, the Association, or the individual members seeking approval of such action or to whose benefit such action accrues shall, within a reasonable time period, in any event not to exceed one hundred twenty (120) days, take such action or commence to take such action as to implement or effectuate said approval by the Board; and if such action is not taken or commenced within said one hundred twenty (120) days the provisions of this Article shall once again become effective, and Declarant's veto power as to said action will once again become effective. This veto shall not extend to the requiring of any action or counter-action on behalf of the Board or Association.

Section 16. Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

ARTICLE IV

OFFICERS

Section 1. Officers. The officers of the Association shall be a President, one or more Vice Presidents (the number thereof to be determined by the Board of Directors), a Secretary, and a Treasurer. The Board of Directors may elect such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two or more offices may be held by the same person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors.

Section 2. Election, Term of Office and Vacancies. The Officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the members as herein set forth in Article IV. A vacancy in any office arising because of death, resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever, in its judgment, the best interests of the Association will be served thereby.

Section 4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

Section 5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE V COMMITTEES

Section 1. Committees. Committees to perform such tasks and to serve for such periods as may be designated by resolution adopted by a majority of the Directors present at a meeting at which a quorum is present are hereby authorized. Such committees shall perform such duties and have such powers as may be provided in the resolution. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. The Board shall designate one of its members to serve on the Interassociation Use Committee.

ARTICLE VI MISCELLANEOUS

Section 1. Fiscal Year. The initial fiscal year of the Association shall be set by resolution of the Board of Directors.

Section 2. Parliamentary Rules. Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Oklahoma law, the Articles of Incorporation, the Declaration, or these By-Laws.

Section 3. Conflicts. If there are conflicts or inconsistencies between the provisions of Oklahoma law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of Oklahoma law, the Declaration and the Articles of Incorporation (in that order) shall prevail.

Section 4. Books and Records. The books, records and papers of the Association shall at all times be subject to inspection by any member of the Association.

Section 5. Amendment. These By-Laws may be amended by the members of the Association at any regular or special meeting duly called for the purpose by the affirmative vote of a majority of the votes which the Class "A" members of the Association in attendance in person or by proxy are entitled to cast and by the Class "B" members so long as the Class "B" membership shall exist. Notwithstanding the foregoing, those provisions of these By-Laws which are governed by said Declaration or by Oklahoma law may not be amended, repealed or altered except as provided in said Declaration or by applicable law. Provided further, that written notice of any meeting called for the purpose of amending these By-Laws shall be sent to the holders of any and all first mortgages affecting any of the Lots, not less than thirty (30) days in advance of the meeting, setting forth the purpose of the meeting. A reasonable charge may be assessed to cover the cost of such notice. No amendment to these By-Laws shall alter, modify or rescind any right, title, interest or privilege herein granted or accorded to the holder of any mortgage affecting any Lot unless such holder shall consent in writing thereto.