

# BYLAWS

## ARTICLE I

**NAME AND LOCATION.** The name of the Corporation is Magnolia Gardens Homeowners' Association of Tulsa, Inc., a not-for-profit Oklahoma corporation (hereinafter referred to as the "Corporation"). The principal office of the corporation shall be located at Tulsa County, Oklahoma, but meeting of members and directors may be held at such places within the State of Oklahoma, as may be designated by the Board of Directors.

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## ARTICLE II

### DEFINITIONS

Section 1. The terms "Corporation", "Common Area", "Lots", "Owner", and "Property" as used in these Bylaws shall have the meanings set forth in the Declaration of Covenants, Conditions and Restrictions relating to the Magnolia Gardens Subdivision dated the 29<sup>th</sup> day of April, 1998, and recorded the 20<sup>th</sup> day of May, 1998, in Book 6053 at Pages 1834 through 1874, in the office of the County Clerk of Tulsa County, Oklahoma (the "Declaration").

Section 2. "Member" means those persons or entities entitled to membership in the Corporation as provided in the Declaration.

## ARTICLE III

### MEETING OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of formation of the Corporation upon the recordation of Articles of Incorporation in the office of the County Clerk for Tulsa County, Oklahoma. Each subsequent regular annual meeting of the Members shall be held on the fourth Thursday of January, each year at a time and place within the County of Tulsa, State of Oklahoma selected by the Board of Directors of the Corporation.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of a majority of the Members.

Section 3. Notice of Meetings. Written notice of each

meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of the notice, postage prepaid, or by hand delivery, not less than seven (7) nor more than thirty (30) days before the meeting, to each Member, addressed to the Member's address last appearing on the books of the Corporation, or supplied in writing by the Member to the Corporation for the purpose of notice. The notice shall specify the place, day and hour of the meeting. In the case of a special meeting, the notice shall state the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of Members or proxies entitled to cast fifty percent (50%) of the votes of the Membership shall constitute a quorum for any action except as otherwise provided in the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Voting Rules. When any provision of the Declaration of these Bylaws requires the vote or consent of the members, the following rules shall apply unless prohibited by law or unless the provision specifically provides otherwise:

(A) The vote for any Lot in which more than one person or entity holds an ownership interest shall be exercised as such persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Lot's appurtenant vote shall be suspended should more than one person or entity seek to exercise it;

(B) Any percentage requirement shall be a percentage of the number of votes and not a percentage of the number of Members;

(C) For any Member that is not a natural person, votes shall be cast only by the person set forth in Subsection B2 of the Section of the Declaration entitled "Application to owners"; and

(D) If a vote is taken at a time when the voting rights of one or more Owners have been suspended in accordance with the Declaration, the votes of such Owners shall be excluded from the computation of any necessary majority vote, as though the Subdivision did not include such Owners' Lots; provided, that for any amendment of the Declaration, the certificate of such amendment shall set forth the fact of such exclusion, and the names of the Owners whose vote has been so excluded, and identify the Lot(s)

owner by such Owner.

Section 6. Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his Lot.

#### ARTICLE IV

##### BOARD OF DIRECTORS SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Corporation shall be managed by a Board of seven (7), directors, who must be Members of the Corporation.

Section 2. Term of Office. The terms of office of the "Charter Directors" (as defined in the Articles of Incorporation of the Corporation) shall be for the period until the second annual meeting of the Members at which their successors are elected.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Corporation. In the event of death, resignation or removal, pursuant to these Bylaws, of a director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive any compensation for any service he may render to the Corporation. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

#### ARTICLE V

##### NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination of Directors for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting.

The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more other persons. The Nominating Committee shall be appointed by a vote of the majority of the Board, not less than sixty (60) days prior to each annual meeting of the Members, to serve until the close of the 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 not less than the number of vacancies that are to be filled. Nominations may be made from among Members or non-Members.

Section 2. Election. Election to the Board of Directors shall be by written ballot or by a show of hands at the annual meeting. At the election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

#### ARTICLE VI

##### MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held at least annually at such place and hour as may be fixed from time to time by resolution of the Board, without the necessity of further notice.

Section 2. Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Corporation, or by any two Directors, after not less than seven (7) days' notice to each Director.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors at a duly held meeting at which quorum is present shall be regarded as the act of the Board.

#### ARTICLE VII

##### POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- (a) adopt and publish rules and regulations governing

the use of the Common Areas including any improvements and amenities located thereon, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights during any period in which the Member is in default in the payment of any assessment levied by the Corporation; these rights may also be suspended for any period not to exceed three months (90 days) for an infraction of published rules and regulations, or during any period of time the Member is in violation of the rules and regulations;

(c) exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration; and

(d) employ a manager, independent contractors, or other employees or contractors as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) keep a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the Members, or at any special meeting when such a statement is requested in writing by the holders of fifty percent (50%) of the votes;

(b) supervise all officers, Committee Chairmen and hired contractors of this Corporation, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration to:

(1) Fix the amount of the annual assessment against each Lot not later than the 4<sup>th</sup> Tuesday of each January;

(2) Send written notice of each regular assessment to every Lot Owner subject thereto on a quarterly basis, or as determined by the board, and of each special assessment, at least sixty (60) days in advance of its due date; and

(3) foreclose the lien against a Lot if the Owner thereof has not paid the assessment thereon within such

time as the Board of Directors may determine, or bring an action at law against the Lot Owner personally obligated to pay the same, or both;

(d) issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid; a reasonable charge may be made by the Board of the issuance of these certificates. (If the certificate states that an assessment has been paid, the certificate shall be conclusive evidence of payment with respect to any person relying on the certificate.)

(e) procure and maintain adequate liability and hazard insurance on property owned by the Corporation;

(f) cause all officers or employees having fiscal responsibilities to be bonded or insured, as it may deem appropriate; and

(g) cause the Common Areas to be maintained.

#### ARTICLE VIII

##### OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Corporation shall be a President and Vice-President, who shall at all times be Members of the Board of Directors, a Secretary, and a Treasurer, and three other Directors approved by the members.

Section 2. Election of Officers. The election of officers shall take place at the second annual meeting of the Members, and annually thereafter.

Section 3. Term. The officers of this Corporation shall be elected at the annual meeting of the members and each shall hold office for one (1) year unless such officer shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may appoint committees chaired by a Member of the Corporation as the affairs of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the

Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to the vacancy shall serve for the remainder of the term of the office such officer replaced.

Section 7. Multiple Offices. Not more than two offices may be held by the same person. The offices of President and Vice President or President and Secretary shall not be held by the same person. The President and Vice President shall be members of the Board of Directors.

Section 8. Duties. The duties of the officers are as follows:

President

(a) The President shall preside at all meetings of the Members and of the Board of Directors and see that orders and resolutions of the Board are carried out. The President shall have authority to sign all leases, mortgages, deeds and other written instruments.

Vice-President

(b) The Vice-President shall act in the place and stead of the President in the event of the President's absence, inability or refusal to act, and exercise and discharge such other duties as may be required of him by the Board. The Vice-President shall likewise have authority to sign all leases, mortgages, deeds and other written instruments.

Secretary

(d) The Secretary 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 Corporation together with their addresses when required by law and perform such other duties as required by the Board.

Treasurer

(f) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Corporation and disburse these funds as directed by resolution of the Board of Directors; keep proper books of account; cause an annual audit of the Corporation books to be made at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular annual meeting, and deliver a copy of each to the Members requesting the same.

**ARTICLE IX**

**COMMITTEES**

The Board shall appoint such committees as deemed appropriate in carrying out its purposes.

**ARTICLE X**

**BOOKS AND RECORDS**

The books, records and papers of the Corporation shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Corporation shall be available for inspection by any Member at the principal office of the Corporation, where copies may be purchased at reasonable cost.

**ARTICLE XI**

**ASSESSMENTS**

As more fully provided in the Declaration, each Member is obligated to pay to the Corporation assessments which are secured by a continuing lien upon the Lot against which the assessment is made. If the assessment is not paid within thirty (30) days after the due date, a five percent (5.0%) late fee will be added, and after 60 days interest shall be determined using a rate equal to the average United States Treasury Bill rate of the preceding calendar year as certified to the Administrative Director of the Courts by the State Treasurer on the first regular business day in January of each year, plus four percentage points. Late interest



fees will be added retroactively to the beginning of the quarter, and the Corporation may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the Lot, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

## ARTICLE XII

### AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the Members, by the holder of sixty-seven percent (67%) of the votes of the members of the Corporation present in person or by proxy at the meeting at which the vote is taken.

Section 2. In the case of any conflict between the Articles of incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and the Articles or these Bylaws, the Declaration shall control.

## ARTICLE XIII

### MISCELLANEOUS

Section 1. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of formation and end on December 31st of that year.

Section 2. Indemnity. Each officer or director of this Corporation, including such person's heirs and personal representatives, made a party to any action, suit or proceeding or against whom a claim or liability is threatened, asserted or commenced by reason of the fact that such person was or is an officer or Director of the Corporation, shall be defended and indemnified and held harmless by the Corporation against all judgments, fines, amounts paid on account thereof (whether in settlement or otherwise) and reimbursed for all expenses, including attorney's fees, actually and reasonably incurred by the person in connection with the defense of any action, suit, proceeding, or claim, whether or not the same proceeds to judgment or is settled

or otherwise brought to a conclusion, provided that no person shall be indemnified or reimbursed for costs or expenses arising out of the person's dishonesty with the Corporation, his willful malfeasance or gross and reckless disregard of such person's duty.

The indemnification provided above is not exclusive but, in addition, any person who is or was an officer or Director of the Corporation shall be entitled to all reimbursement and indemnity provided by or under applicable provisions of the Oklahoma Business Corporations Act as now in effect or as hereafter amended.

IN WITNESS WHEREOF, we being the Charter Directors of Magnolia Gardens Homeowners' Association, Inc., have hereunto set our hands this \_\_\_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
President

\_\_\_\_\_  
Vice-President

\_\_\_\_\_  
Treasurer

\_\_\_\_\_  
Secretary