

BY-LAWS OF
Preston Woods Homeowners' Association, Inc.

ARTICLE I

NAME AND LOCATION

The name of the corporation is Preston Woods Homeowners Association, Inc. The principal office of the corporation shall be located at 6528 D-1 East 101st, Suite 409, Tulsa, Oklahoma, but meetings of members and directors may be held at such places within Tulsa County, Oklahoma, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Preston Woods Homeowners Association, Inc., its successors and assigns.

Section 2. "Properties" shall mean and refer to the following described real property:

Lots 1 thru 15, Block 1
Lots 1 thru 3, Block 2
Lots 1 thru 38, Block 3
Lots 1 thru 3, Block 4
(single family lots)

and

All the above described single family lots being located within Preston Woods a subdivision in the City of Tulsa, Tulsa County, Oklahoma, Recorded as Plat No. 5440 in the records of the County Clerk of Tulsa County, Oklahoma. (hereinafter referred to as Preston Woods or as the "Property")

and

That portion of Reserve A, B & C, Preston Woods designated on the recorded plat of Preston Woods as "Common Area and Right-away along 111th St.

and

Any additional property as may hereafter be brought within the jurisdiction of the Association, the above-described subdivision and properties subsequently annexed.

Section 3. "Common Area" shall mean all real property owned or maintained by the Association for the common use and enjoyment of the owners, and shall include but shall not be limited to the following:

That portion of Reserve A, B & C, designated on the recorded plat of Preston Woods as "Open Space / Common Area" and the perimeter fencing easements heretofore established within the Deed of Dedication of the recorded plat of Preston Woods or hereafter established by separate grant or conveyance.

Section 4. "Lot" shall mean and refer to any single family lot shown upon the recorded subdivision plat of Preston Woods.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to 81st & Memorial L.L.C., its successors and assigns.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants and Restrictions applicable to the Properties recorded in Book 6365 at Page 1447 of the Office of the County Clerk of Tulsa County, State of Oklahoma.

Section 8. "Member" shall mean and refer to each person entitled to membership 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 year from the date of incorporation of the Association, at a date, time, and place to be set by the Board of Directors. Each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, or within thirty (30) days thereof as may be determined by the Board of Directors.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the President or the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4th) of all the votes of the Class A membership.

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 (via regular U.S. Mail or electronic mail) a copy of the notice, postage prepaid, at least ten (10) days before such meeting to each member entitled to vote thereat, addressed to the member's residential or electronic mail address last appearing on the books of the Association, or supplied by the member to the Association for the purpose of notice. The notice

of meeting shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10th) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Certificate of Incorporation, the Declaration, or these By-Laws. If, however, a quorum shall not be present or represented at any meeting, the members present shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. Proxies may be cast either 1) in writing and filed with the Secretary; or 2) via electronic mail sent to the Association's electronic mail address if such electronic mail address is set forth on the proxy voting instructions which accompany any notice of meeting. Each proxy shall be revocable and shall automatically cease upon conveyance of the Lot of the member who had given the proxy.

ARTICLE IV

BOARD OF DIRECTORS: SELECTION, TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of Directors, who need not be members of the Association. The initial Board of Directors shall consist of the three persons, designated by the Certificate of Incorporation of the Association, which shall serve until the first annual meeting of the membership, or until their

successors are elected, and thereafter the Board shall consist of up to six and no less than five Directors.

Section 2. Term of Office. At the first annual meeting the members shall elect one Director for a term of one year, two Directors for a term of two years, and two Directors for a term of three years; and at each annual meeting thereafter, the members shall fill any expiring directorship by electing a Director for a term of three years. In any year that the Board of Directors expands to a maximum of six Directors, the Board of Directors may determine the length of the term of the sixth Director.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a Director, his successor shall be elected by the remaining members of the Board, and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No Director shall receive compensation for any service he may render to the Association. 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. Such written approval may, at the discretion of each Director, be conveyed via electronic mail to the President or other authorized person who has initiated the action. 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 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 members of the Association. The Nominating Committee shall be appointed by the Board of Directors. 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. Nominees may be members or non-members of the Association.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot, if requested by any member. At the election each member or his proxy may cast, for each vacancy, as many votes as the member is entitled to cast as set forth within the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is prohibited.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. If a regularly scheduled meeting should fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. The initial Board of Directors need not meet on a monthly basis, and may conduct necessary business at special meetings called as provided for in Section 2 below.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days notice to each Director. Said notice may be achieved via electronic mail.

Section 3. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. An act or decision of the Board shall require the vote of a majority of the Directors present at a duly held meeting at which a quorum is present.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

- (a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests

thereon, and to establish penalties for the infraction thereof;

- (b) suspend the voting rights and right to use of the Common Area and facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association;
- (c) suspend the right to use of the Common Area and facilities after notice and hearing, for a period not to exceed 60 days, for infraction of published rules and regulations;
- (d) exercise for the Association all powers, duties, and authority bested in or delegated to the Association and not reserved to the membership by other provisions of these By-Laws, the Certificate of Incorporation, or the Declaration;
- (e) declare the office of a member of the Board of Directors to be vacant in the event the member shall be absent from three consecutive regular meetings of the Board of Directors; and
- (f) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

- (a) cause to be kept 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 a special meeting when the statement is requested in writing by members having one-fourth (1/4th) of the votes of the Class A membership;

- (b) supervise all officers, agents and employees of this Association, 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 at least 30 days in advance of each annual assessment period;
 - (2) send written notice (via U.S. Mail or electronic mail) of each assessment to every owner subject thereto at least 30 days in advance of each annual assessment period; and
 - (3) foreclose the lien against any property for which assessments are not paid within 30 days after due date or bring an action at law against the owner personally obligated to pay the same.
- (d) issue, or to authorize 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 for the issuance of a certificate. If a certificate states an assessment has been paid, the certificate shall be conclusive evidence of payment;
- (e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- (f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- (g) cause the Common Area to be maintained;

- (h) cause a carryover balance of \$1000.00 to remain in the Association's checking account at the beginning of each fiscal year, and transfer funds in excess of \$1000.00 into a Capital Improvements Fund at the beginning of each fiscal year;
- (i) maintain a perpetual Capital Improvements Fund for major repairs and improvements to the Common Area;
- (j) process complaints by issuing (via U.S. Mail and/or electronic mail and/or newsletter), as deemed necessary by the Board, a written notice of the complaint to the property owners associated with the complaint or to all property owners; and
- (k) issue to any property owner who is in violation of a covenant a written Notice of Non-Compliance via U.S. Mail, which stipulates the specific covenant, the timeframe allowed for resolution, and the consequences of inaction.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association 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 such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for 1 year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect other officers as the affairs of the Association 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. A resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of 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 a vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

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

- (a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.
- (b) Vice-President. The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

- (c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring the seal, 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, and shall perform such other duties as required by the Board.
- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association, and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a Committee of at least two at-large members of the Association at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and shall deliver a copy to each of the members.

ARTICLE IX

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these By-Laws, and shall appoint other committees as deemed appropriate.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Certificate of Incorporation, and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, 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 Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within 30 days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable Attorneys' 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

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Preston Woods Homeowners' Association, Inc.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended by the Board of Directors or, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Certificate of Incorporation and these By-Laws, the Certificate will control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

ARTICLE XIV

MISCELLANEOUS

The fiscal year of the Association 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 incorporation.
