

WASHINGTON LANE HOME OWNER'S ASSOCIATION

BYLAWS

ARTICLE I

Purpose

Washington Lane Home Owner's Association, an Oklahoma nonprofit corporation (the "**Association**") is formed under the Oklahoma General Corporation Act, (Title 18 Section 1001) (the "**Act**") to govern the common interest community which has been or will be submitted to the appropriate authorities of Tulsa County and the State of Oklahoma by the recordation of the Declaration of Covenants, Conditions and Restrictions ("**Declaration**") and Subdivision Plat bearing the name "**Washington Lane,**" in the records of Tulsa County, Oklahoma.

ARTICLE II

Definitions

Unless otherwise defined herein, terms used in these Bylaws are defined in the Declaration, and any modifications thereto, to be recorded in the records of the Clerk and Recorder of Tulsa County, Oklahoma.

ARTICLE III

Meeting of Members

~~3.1.~~ **Membership.** The owner of a lot shall automatically be the holder of a membership in the association appurtenant to that lot, and the association membership for that lot shall automatically pass with fee simple title to that lot. In the event any owner shall have entered into a contract to sell his or her interest in a lot and if the contract vendee is in possession of the lot, he or she shall be considered to be the member rather than the owner. There shall be one (1) vote for each lot. When more than one person holds an interest in any lot, all of such persons shall be members, but, except as provided below, in no event shall more than one (1) vote be cast with respect to any lot. The vote for such lot shall be exercised as the owners thereof may determine among themselves, provided that if they are unable to so determine, none of such members shall be entitled to vote. Notwithstanding the foregoing, Declarant shall be entitled to three (3) votes for each single lot of which it is the owner.

3.2. Annual Meetings. The first annual meeting of the Association shall be held in the month of February, 2005. Thereafter, the annual meetings of the Association shall be held during the month of February, of each succeeding year, at a date to be set by the Board of Directors. At such meetings, members of the Board of Directors shall be elected in accordance with the requirements of these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

3.3. Special Meeting. Special meetings of the Association may be called at any time by the President or the Board of Directors of the Association, the Declarant, or upon written request of Members who are entitled to vote twenty percent (20%) of all of the votes entitled to be cast. No business except as stated in the notice of meeting shall be transacted at a special meeting.

3.4. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary of the Association or other person authorized to call the meeting, by hand delivering or by mailing a copy of such notice, postage prepaid, at least 10 days before such meeting to each Member entitled to vote at such meeting, addressed to the Member's address appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. The delivery of notice in the manner provided in this Section 3.4. shall be considered notice served and the Certificate of the Secretary that notice was duly given shall be *prima facie* evidence thereof.

3.5. Quorum. Except as otherwise provided in the Articles of Incorporation, the Declaration or these Bylaws, the presence in person or by proxy of Members holding twenty percent (20%) of the votes entitled to be cast at a meeting shall constitute a quorum. If however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have 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.

3.6. Manner of Acting. If a quorum is present, the affirmative vote of the majority of the Members represented at the meeting and entitled to vote on the subject matter shall be the act of the Members, unless the vote of a greater proportion or number is otherwise required by these Bylaws, the Articles of Incorporation, the Declaration, or the Act.

3.7. 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 its Lot.

3.8. Action by Written Ballot. Any action that may be taken at any annual, regular or special meetings of Members may be taken without a meeting if the Association delivers a written ballot to every Member entitled to vote on the matter in accordance with the Act and as the Act may be amended.

ARTICLE IV

Board of Directors, Term of Office

4.1. Number. The affairs of the Association shall be managed by a Board of Directors consisting of a minimum of three (3) members during the Period of Declarant Control as defined in the Declaration and thereafter shall consist of at least three (3) but not more than five (5) members, as determined by the Board. All members of the Board shall be representatives of the Declarant or Members of the Association. Consistent with the provisions of the Declaration, the Declarant may elect and exercise the rights, duties and functions of the Board as provided therein by and through the persons named in the Articles of Incorporation as the initial Directors.

4.2. Term of Office. At the first annual meeting, after the expiration of the Period of Declarant Control as provided in the Declaration, the Members shall elect one Director for a term of one year, one Director for a term of two years and one Director for a term of three years. At each annual meeting thereafter the Members shall elect a Director for a term of three years to fill the vacancy or vacancies of the Director whose term expires.

4.3. Removal. After the Period of Declarant Control, the Members, by a sixty-seven percent (67%) vote (based upon one vote per Lot) of all Members present and entitled to vote at any meeting of the Members of the Association at which a quorum is present, may remove any Director with or without cause, other than a Director appointed by the Declarant. In the event of death, resignation or removal of a Director his or her successor shall be selected by the remaining members of the Board, and such successor shall serve for the unexpired term of his or her predecessor.

4.4. 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.

4.5 Director's Liability. To the fullest extent allowed by law, no director of the Association shall be held personally liable by or to the Association or its Members for monetary damages for breach of fiduciary duty as a director; provided, however, that such liability shall not be eliminated or limited in the case of acts or omissions done not in good faith or which involve intentional misconduct or a knowing violation of the law; a breach of the duty of loyalty to the Association or its Members; the making of a loan by the Association to a director or officer; or any transaction from which the director directly or indirectly derived an improper personal benefit.

ARTICLE V

Nomination and Election of Directors

5.1. 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 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. Such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as there are vacancies to be filled, and such nominations may be made from among Members or non-Members. Subject to right of Declarant to appoint Board Members as provided in the Declaration, all Directors shall be Members of the Association.

5.2. Election. Election to the Board of Directors shall be by written ballot. At such 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. Notwithstanding the foregoing, if an election is uncontested, voting by the Members may be by acclamation.

ARTICLE VI

Meetings of Directors

6.1. Regular Meetings. 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 two such meetings shall be held during each calendar year. Notice of regular meetings for the Board shall be given to each Director, personally or by United States mail, electronic mail (e-mail), telephone or telefax, at least fifteen (15) days prior to the day named for such a meeting.

6.2. 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 two (2) days notice to each Director, stating the place, date and hour of the Special Meeting, which notice may be written or oral. Any Director may waive notice of any meeting and no notice of any meeting need be given to any Director who attends in person.

6.3. 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 present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. If, at any meeting of the Board, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

ARTICLE VII

Powers and Duties of The Board of Directors

7.1. Powers. The Board of Directors shall have power to:

(a) Administer and to enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration, the Articles of Incorporation and Bylaws of the Association and any amendments thereto.

(b) Establish, make and enforce compliance with rules and regulations governing the use of the Community Area, Association Properties, Improvements, facilities and all of the Lots, and to establish penalties for the infraction thereof. Such administrative rules and regulations may be adopted or amended only with the approval of the majority of the Members. A copy of the rules shall be delivered or mailed to each Member upon adoption thereof.

 (c) Suspend the voting rights of a Member during any period which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed 90 days for infraction of published rules and regulations.

(d) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provisions of these Bylaws, the Articles of Incorporation, and/or the Declaration.

(e) Declare the office of a member of the Board of Directors to be vacant in the event such Director shall be absent from three (3) consecutive regular meetings of the Board of Directors.

(f) Employ an Association Manager, independent contractors, and/or such other employees as they deem necessary, and to prescribe their duties and powers including those set forth above, but not those powers which the Board may not delegate. Any delegation to an Association Manager of the Board's duties and powers shall not relieve the Board of its responsibilities under the Declaration.

(g) Do any act or exercise any authority delegated to the Association under the provisions of the Declaration and as the Declaration may be amended.

7.2. 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 any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members entitled to vote.

(b) Supervise all Association Managers, Officers, agents and employees of the 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 in accordance with the provisions of the Declaration;

(2) Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of the due date each annual assessment; and

(3) Foreclose any lien placed against any Lot by the Association as provided by law, or to bring an action at law against any Owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate Officer or Association Manager 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 or Association Manager for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(e) Procure and maintain adequate liability and hazard insurance on property owned by the Association.

(f) Cause the Association Properties to be maintained.

(g) Do any act delegated to the Association under the provisions of the Declaration and as the Declaration may be amended.

7.3. Fidelity Bonds. The Board may require that all Officers and employees of the Association who handle or are responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a Common Expense.

ARTICLE VIII
Officers

8.1. Designation of Officers. The Officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer all of whom shall be elected by the Board of Directors and such other assistant Officers as the Board may from time to time determine to be necessary. Such Officers shall each be a member of the Board of Directors.

8.2. Election of Officers. The election of the Officers of the Association shall take place at the organizational meeting of each new Board of Directors.

8.3. Term. The Officers of the Association shall be elected annually by the Board and each shall hold office for one (1) year unless he or she shall sooner resign, be removed under the provisions of these Bylaws, or otherwise become unable or disqualified to serve.

8.4. Special Appointments. The Board may appoint such 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.

8.5. Resignation and Removal. Any Officer may be removed from office at any time, with or without cause, by the Board of Directors. 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 receipt of such notice or at any later time specified therein, and unless otherwise specified in such notice, no acceptance of such resignation shall be required.

8.6. Vacancies. A vacancy in any office may be filled by an appointment by the Board. The Officer appointed to fill such vacancy shall serve for the remainder of the term of the Officer he or she replaces.

8.7. 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 8.4. or except during the Period of Declarant Control as provided in the Declaration.

8.8. President. The President shall be the Chief Executive Officer of the Association. He or she shall preside at all meetings of the Association and of the Board of Directors; shall see that orders and resolutions of the Board of Directors are carried out; shall sign all leases, contracts, mortgages, deeds, amendments to the Declaration and other written instruments to be executed by the Association and shall co-sign all checks and promissory notes or other instruments drawn on the Association account or obligating the Association.

8.9. 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 or her by the Board of Directors.

8.10. Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board of Directors and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said 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 of Directors. However, if an Association Manager or Management Company has been delegated the responsibility of maintaining the Association's records, the Secretary's responsibility shall be to review and, if necessary, certify the records kept by and on behalf of the Association.

8.11. Treasurer. The Treasurer shall have the responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association; provided, however, that when an Association Manager or Management Company has been delegated the responsibility of collecting and disbursing funds, the Treasurer's responsibility shall be to review the accounts of the Association Manager not less often than semi-annually.

ARTICLE IX Committees

The Board of Directors shall appoint an Architectural Control Committee, as provided by the Declaration, and a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as it deems appropriate to carry out the purposes of the Association.

ARTICLE X Association Manager

10.1. Association Manager. The Association may obtain and pay for the services of a person, persons or entity as an "Association Manager" to administer and manage its affairs and be responsible for the operation, maintenance, repair, and improvement of the Association Properties and to keep the same in good, attractive and sanitary condition, order and repair.

10.2. Fidelity Insurance. The Association Manager shall maintain fidelity insurance coverage or a bond in an amount not less than fifty thousand dollars or such higher amount as the Board of Directors may require.

10.3. Separate Accounts. The Association Manager shall maintain all funds and accounts of the Association separate from the funds and accounts of other associations managed by the Association Manager. The Association Manager shall maintain all reserve accounts of the Association separate from operational accounts of the Association.

10.4. Annual Accounting. A review for Association funds and a financial statement shall be prepared and presented to the Association by the Treasurer. A certified public accountant will perform an audit every year.

ARTICLE XI Right to Inspect Records, Statement of Account

11.1. Right to Inspect Records. The books, records and papers of the Association shall at all times, during reasonable business hours and upon reasonable notice, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies thereof may be obtained by any Member requesting the same at reasonable cost.

11.2. Statement of Account. Upon ten (10) days notice to the Board, or to the Association

Manager if one is employed, and payment of a reasonable fee as determined by the Association Manager, any prospective grantee, Owner or Mortgagee of a Lot shall be furnished a statement of the Member's account setting forth the amount of any unpaid assessments or other charges due and owing from such Member.

ARTICLE XII

Evidence of Ownership, Registration of Mailing Address and Designation of Voting Representative

 **12.1. Proof of Ownership.** Except for those Members who initially purchase a Lot from Declarant, any person on becoming an Owner of a Lot shall furnish to the Board a copy of the recorded instrument vesting that person or entity with an interest or ownership in the Lot, which copy shall remain in the files of the Association.

12.2. Registration of Mailing Address. The Owner or several Owners of an individual lot shall have one and the same registered mailing address to be used by the Association for mailing of statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, company, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of a Member or Members shall be furnished by such Member(s) to the Board within fifteen (15) days after transfer of title, or after a change of address and such registration shall be in written form and signed by (all of) the Owner(s) of the Lot or by such persons as are authorized by law to represent the interest of (all of) the Owner(s) thereof.

12.3. Designation of Voting Representative-Proxy. If a Lot is owned by one person, his right to vote shall be established by the record title thereto. If title to a Lot is held by more than one person or by a firm, corporation, company, partnership, association or other legal entity, or any combination thereof, such Owner(s) shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of Members and at such meetings to cast whatever vote the Owner himself might cast if he or she were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty (30) days after such revocation, amendment or termination, the Owner(s) shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this Section.

The requirements herein contained in this Article XII shall be first met before any Owner of a Lot shall be deemed in good standing and entitled to vote at any annual or special meeting of Members.

ARTICLE XIII

Amendments, Conflicts

13.1 Amendments. These Bylaws may be amended at a regular or special meeting of the Members by an affirmative vote of two thirds (2/3) of the Members represented at the meeting and entitled to vote, unless the vote of a greater proportion or number is otherwise required by the Articles of Incorporation, the Declaration or the Act.

13.2. Conflicts. 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 these Bylaws, the Declaration shall control.

ARTICLE XIV Corporate Seal

The Association shall have a seal in circular form having within its circumference the words: "Washington Lane Home Owner's Association" with "2004" in the center.

ARTICLE XV Association Not-for-Profit

This Association is not organized for profit. No member of the Board of Directors, Officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of any Director, Officer or Member; provided, however, that:

(a) Only reasonable compensation be paid to any Member, Director or Officer while acting as an agent or employee of the Association; and

(b) Any Member, Director or Officer may, from time to time, be reimbursed for his or her actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

The provisions herein are not applicable to the Association Manager who shall perform its, his or her duties and functions according to a written agreement for the compensation stated therein.

ARTICLE XVI Miscellaneous

The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year except that the first fiscal year shall begin on the date of Incorporation of the Association.

CERTIFICATE

I hereby certify that the foregoing Bylaws, consisting of nine pages, including this page, constitute the Bylaws of Washington Lane Home Owners Association, Inc., adopted by the Board of Directors of the Association as of _____, 2005.

Secretary