

BYLAWS
OF
LANCASTER ESTATES HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I.

Name and Location

The name of the corporation is LANCASTER ESTATES HOMEOWNERS' ASSOCIATION, INC. The principal office of the corporation shall be located at 712 S. Sweet Gum, Broken Arrow, Oklahoma, but meetings of owner/members and directors may be held at such places within Tulsa County, Oklahoma, as may be designated by the Board of Directors.

ARTICLE II.

The purpose of this association is to maintain the common areas and enhance and protect the value, desirability and attractiveness of Lancaster Estates. In addition, the association shall promote the health, safety and welfare of the residents of Lancaster Estates.

Definitions

Section 1. "Association" shall mean and refer to LANCASTER ESTATES HOMEOWNERS' ASSOCIATION, INC., its successors and assigns.

Section 2. "Common Area" shall mean and refer to 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:

Reserve Areas "A" and "B", and the Greenbelt reserve area surrounding the perimeter of the addition and the landscaping and fencing easement(s) depicted on the recorded plat of LANCASTER ESTATES.

Section 3. "Deed of Dedication" shall mean and refer to that certain Plat No. 5051 and Deed of Dedication filed therewith on February 3, 1995, in the records of the Tulsa County Clerk as Document No. 95-1085 in book 5690 at Page 2242.

Section 4. "Developer" shall mean and refer to American Land Development Limited Partnership, and Oklahoma limited partnership.

Section 5. "Owner/member" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot or (2) two adjoining lots which is a part of the Property, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded map of the Subdivision, with the exception of the Property.

Section 7. "Property" shall mean and refer to the following described real property:

Lots 1 through 25, Block 1, Lots 1 through 9, Block 2, and all reserve areas and landscaping and fencing easement(s) denoted on the recorded plat, all within LANCASTER ESTATES, an Addition to the City of Broken Arrow, being a subdivision of part of Section 17, Township 18 North, Range 14 East of the Indian Meridian, Tulsa County, State of Oklahoma, according to the recorded plat thereof, and such other real property located within Section 17, Township 18 North, Range 14 East, Tulsa County, State of Oklahoma as may be hereafter annexed to and included within the jurisdiction of the Association.

Section 8. "Subdivision" shall mean and refer to all of Lancaster Estates, Tulsa County, State of Oklahoma.

ARTICLE III.

Meeting of Members

Section 1. Annual Meetings. The first annual meeting of the owner/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. All subsequent annual meetings of the owner/members shall take place each September, at a date, time and place to be set by the Board of Directors.

Section 2. Special Meetings. A Special meeting of the owner/members may be called at any time by the President or by the Board of Directors. The Owner/members entitled to vote 1/4th of all the votes of the membership may submit a written request, for a Special Meeting, to the Board of Directors. The Special meeting shall convene within (60) sixty days of receipt of the written request. If the Board of Directors fails to acknowledge the written request in writing within 15 days, the same owner/members may call a special meeting.

Section 3. Notice of Meetings. Written notice of each meeting of the owner/members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting at least 10 days before such meeting, except as otherwise provided for in these bylaws, to owner/members entitled to vote thereat, addressed to the owner/member's address last appearing on the books of the Association, or supplied by the owner/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 owner/members entitled to cast (51%) fifty-one percent of the votes of membership shall constitute a quorum for any action except as otherwise provided in the Certificate of Incorporation, the Deed of Dedication, or these Bylaws. If, however, a quorum shall not be present or represented at any meeting, the owner/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 owner/members, each owner/member may vote in person or by proxy. Proxies shall be in writing and filed with the Secretary. Each proxy shall be revocable and shall automatically cease upon conveyance of the Lot of the owner/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 shall be owner/members of the association. The Board of Directors shall consist of (5) five Directors.

Section 2. Term of Office. At the first annual meeting the members shall elect two (2) Directors for a term of one (1) year, three (3) Directors for a term of two (2) years and at each annual meeting thereafter the owner/members shall fill any expiring Directorship by electing a Director for a term of two (2) years.

Section 3. Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the owner/members of the Association. In the event of death, resignation or removal of a Director, his successor shall be elected by the remaining owner/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. 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 or at a special meeting called for such purpose. The Nominating committee shall consist of a Chairman, who shall be an owner/member of the Board of Directors, and two (2) or more owner/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 shall be owner/members of the Association.

Section 2. Election. Election to the board of Directors shall be by secret written ballot if requested by any owner/member. At the election each owner/member is entitled to cast one vote. 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 regular 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.

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, if any, and personal conduct of the owner/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, if any, of a owner/member during any period in which such owner/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 any facilities after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;
- (d) exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws or the Certificate of Incorporation;
- (e) declare the office of an owner/member of the Board of Directors to be vacant in the event the owner/member shall be absent from three (3) 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.
- (g) disperse such funds as budgeted or approved. Any Non Budgeted obligation exceeding \$1,000.00 must be approved by (51%) fifty-one percent of the owner/members.

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 owner/members at the annual meeting of the owner/members, or at a special meeting when the statement is requested in writing by owner/members having one-fourth (1/4th) of the votes of the membership;
- (b) supervise all officers, agents and employees of this Association and see that their duties are properly performed.
- (c) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed, as more fully provided in these By-Laws, to:
 - (1) fix the amount of the annual assessment against each owner/member at least 30 days in advance of each annual assessment period;
 - (2) send written notice of each assessment to every owner/member 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 owner/member 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; and
- (g) cause the Common Area to be maintained.

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 owner/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 owner/members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (2) year term, 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 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 sign all leases, mortgages, deeds and other written instruments and may co-sign 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 and may co-sign checks.

- (c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the owner/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 owner/members; keep appropriate current records showing the owner/members of the association together with their addresses, and shall perform such other duties as required by the Board and may co-sign checks.
- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts of 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; 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.

ARTILCE 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 Certificate of Incorporation and bylaws of the Association shall be available for inspection by any owner/member and copies may be purchased at reasonable cost.

ARTICLE XI.

Assessments

Section 1. Creation of the Lien and Personal Obligations of Assessments. As provided in the Deed of Dedication covering the property, each owner/member by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges, and (b) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney fees, shall also be the personal obligation of the person who was the legal or equitable owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to such owner's successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents who use the property and for the improvement and maintenance of the facilities situated in Reserve Areas A and B, the Greenbelt reserve surrounding the perimeter of the addition, and the landscaping and fence easement(s), if any.

Section 3. Maximum Annual Assessment. On August 1, 1999, the maximum annual assessment shall be Three Hundred Dollars (\$300.00) per owner/member.

- (a) The maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership.
- (b) The maximum annual assessment may be increased above five percent (5%) by a vote of two-thirds (2/3) of each owner/members who are voting in person at a meeting duly called for this purpose.
- (c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.
- (d) Create and maintain a financial reserve in the amount of (\$16,000.00). Reserve amount based on \$500.00 per household.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Property, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of owner/members who are voting in person at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized Under Sections 3 and 4. Written notice of any meeting for the purpose of taking any action authorized under Sections 3 or 4 of this Article XI shall be sent to all owner/members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of owner/members entitled to cast sixty percent (60%) of all the votes of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event two-thirds (2/3) of the membership do not assent at the time of the meeting, owner/members not present may within thirty (30) days thereafter give assent by delivery of written assent to the Secretary of the Association, and such assents shall be deemed votes cast at the meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all owner/members August 1, 1999. The omission or failure of the Board of Directors to timely fix the annual assessment shall not be deemed a waiver or release of any owner/member from the obligation to pay the assessment when fixed. Written notice of the annual assessment shall be sent to each owner/member. The due dates shall be established by the Board of Directors of the Association.

Section 8. Certificate of Assessment. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments of a specified owner/member have been paid. A properly executed certificate of the Association as to the status of assessments of an owner/member is binding upon the association as of the date of its issuance.

Section 9. Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear a one-time late fee of twenty-five dollars (\$25.00) and shall bear interest from the due date at the rate of 1% per month or any part thereof (12% per annum). The Association may bring an action at law against the owner/member personally obligated to pay the same, or foreclose the lien against the lot. No owner/member may waive or

otherwise escape liability for the assessments provided for herein by non-use of the Property or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien; provided, however, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve the Lot from the lien for assessments thereafter becoming due.

ARTICLE XII.

Mergers and Consolidations

Section 1. Merger or consolidation shall require the assent of two-thirds (2/3) of owner/members.

Section 2. Merger or consolidation requiring assent of the owner/members shall be considered at a meeting duly called for such purpose and approved by an affirmative vote of 2/3rds majority of the owner/members. Written notice of the meeting shall be sent to all owner/members not less than thirty (30) nor more than sixty (60) days in advance of the meeting. The presence of fifty-one percent (51%) of the membership required to assent shall constitute a quorum. Owner/members not present may vote by Proxy.

ARTICLE XIII.

Corporate Seal

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

ARTICLE XIV.

Amendments

Section 1. These By-Laws may be amended by an affirmative vote of 2/3rds majority of the owner/members, at a regular or special meeting of the owner/members, duly called for such purpose. Written notice shall be sent to all owner/members not less than thirty (30) nor more than sixty (60) days in advance of the meeting. The presence of fifty-one percent (51%) of the membership required to assent shall constitute a quorum. Owner/members not present may vote by Proxy.

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


ARTICLE XV.

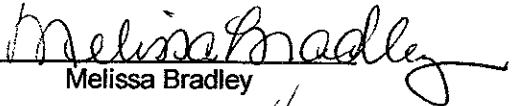
Miscellaneous

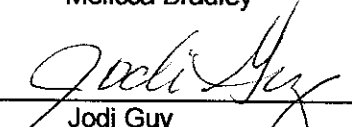
Section 1. Robert's Rules of Order shall govern the Lancaster Estates Home Owners' Association, in all cases not provided for in these bylaws.

Section 2. The fiscal year of the Association shall begin on the first day of August and end on the 31st day of July of every year.

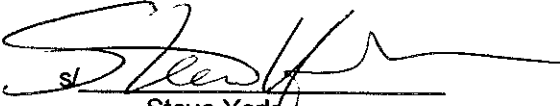
IN WITNESS WHEREOF, we, being all of the Directors of LANCASTER ESTATES HOMEOWNERS' ASSOCIATION, INC., have hereunto set our hands this

s/ 
Larry Hower

s/ 
Melissa Bradley

s/ 
Jodi Guy

s/ 
Kirk Schneider

s/ 
Steve York

(Being all of the directors of LANCASTER ESTATES HOMEOWNERS' ASSOCIATION, INC.)