

BOOK 4614 PAGE 914

EXHIBIT "D"
BY-LAWS
OF
CEDARCREST PARK TOWNHOMES ASSOCIATION, INC.

BY-LAWS
OF
CEDARCREST PARK TOWNHOMES ASSOCIATION, INC.

ARTICLE I
OFFICES

1.1 Offices. The principal office of the Association shall be located in the City of Tulsa, County of Tulsa, State of Oklahoma.

ARTICLE II
DEFINITIONS

2.1 Definitions. Unless it is plainly evident from the context in which a term is used that a different meaning is intended, as used herein:

(a) "Association" means the Cedarcrest Park Townhomes Association Inc, a non-profit corporation, organized under the laws of the State of Oklahoma for the purpose of administering the Property and the Condominiums;

(b) "Building" means one or more buildings or structures comprising a part of the Property;

(c) "Common Elements" means and includes the General Common Elements and Limited Common Elements;

(d) "Common Expenses" means and includes the General Common Expenses, the Limited Common Expenses, and expenditures made or liabilities incurred by the Association;

(e) "General Common Expenses" means and includes:

(1) Expenses of administration of the Common Elements and the maintenance, repair or replacement of the General Common Elements;

(2) Expenses agreed upon as common by all the Condominium Owners;

(3) Expenses declared as General Common by provisions of the Act, or by this Declaration or the Articles of Incorporation or By-Laws of the Association;

(4) General Common Expenses are shared by all Condominiums pro rata according to their respective Ownership interest;

(f) "Common Profits" means the balance of all income, rents, profits and revenues from the Common Elements and facilities after the deduction of the Common Expenses;

(g) "Condominium" is the same as a Unit Ownership Estate, which consists of a Residential Unit together with its undivided interests in the Common Elements;

(h) "Condominium Owner" means a person who owns a Condominium;

- (i) "Declaration" means the Declaration of Unit Ownership Estates for Cedarcrest Park Townhomes when duly recorded, by which the Property is submitted to the provisions of the Act;
- (j) "General Common Elements" means and includes those elements of the Property necessary or convenient to its existence, maintenance and safety, and normally in common use, except those elements which are specifically designated as Limited Common Elements;
- (k) "Limited Common Elements" means and includes those Common Elements which are to be reserved by the terms of the Declaration to the use of certain Units to the exclusion of the other Units;
- (l) "Limited Common Expense" means an expense allocated among specified Condominiums to the exclusion of all other Condominiums;
- (m) "Majority of Ownership Interests" means the owners of more than fifty percent (50%) of the aggregate interest in the General Common Elements as established by the Declaration. Further, any specified percentage or proportion of Ownership Interests means such percentage or proportion in the aggregate of such undivided ownership;
- (n) "Ownership Interest" means the proportionate undivided interest in the Common Elements which is appurtenant to a Condominium. The Ownership Interest for each Condominium is set out on Exhibit "B" of the Declaration;
- (o) "Person" means an individual, corporation, partnership, association, trust or other legal entity, or any combination thereof;
- (p) "Property" means and includes the land, the buildings, all improvements and structures thereon, and all easements, rights and appurtenances belonging thereto;
- (q) "Recordation" means to file of record in the office of the County Clerk in Tulsa County, Oklahoma, in the manner provided by law for recordation of instruments affecting real estate;
- (r) "Residential Unit" or "Unit" means a space consisting of one or more rooms which is designed for a family residence and which space is enclosed by the boundary walls, ceiling and floor as shown on Exhibit "A" of the Declaration. A Residential Unit does include the surface of its boundary walls, ceiling and floor but does not include the interior of said boundary walls, ceiling and floor;
- (s) "Unit Ownership Estate" means the estate consisting of a single Unit in a multi-unit building together with an undivided interest in the Common Elements.

ARTICLE III
EFFECTIVE DATE OF BY-LAWS

3.1 These By-Laws shall be effective from and after the date on which management of the Condominiums is turned over to the Association as provided in the Declaration.

ARTICLE IV
MEMBERS

4.1 Condominium Owners. The membership of the Association shall consist exclusively of the Owners of Condominiums. Membership is compulsory according to the Declaration and is effected automatically upon the purchase of a fee ownership interest in a Condominium. Further, membership is terminated automatically upon the sale, transfer, conveyance or other disposition by a Condominium Owner thereby terminating his fee ownership interest.

4.2 Management Rights of Members. The management of the Condominiums shall be vested exclusively in the Board of Directors of the Association and no member shall be authorized to perform any acts or exercise any of the powers of the Board without the express delegation of such authority to such member by the Board.

ARTICLE V
MEETINGS OF MEMBERS

5.1 Place of Meetings. All meetings of members shall be held at the Property or at such other location in Tulsa, Oklahoma, in reasonable proximity to the Property, as may be designated in the notice of meeting. If no notice is required or no meeting place is designated in the notice, the meeting shall be at the Property.

5.2 Annual Meeting. The annual meeting of the members shall be held on the fourth Monday in the month of January in each year, beginning with the year following the year in which control of the Association is turned over to the purchasers of Condominiums pursuant to Section 7.2 hereof, at the hour of eight o'clock (8:00) P.M., for the purpose of electing Directors to replace those whose terms of office have expired, and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the state in which the meeting is to be held, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting of the members, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be held.

5.3 Special Meeting. A special meeting of the members may be called for any purposes, unless otherwise prescribed by statute or Certificate of Incorporation, by any officer or by the Board of Directors of the Association, and shall be called by any such officer at the request of members owning at least twenty-five percent (25%) of the Ownership Interests, which request shall state the purpose or purposes of the proposed meeting. Business at a special meeting shall be limited to the purpose or purposes stated in the call of said meeting.

5.4 Notice of Meeting. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than five (5) nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officer or persons calling the meeting, to each member of record entitled to vote at such meeting. No notice shall be required of the annual meeting if held in accordance with Section 5.2, above. Provided that in the case of Condominiums having joint owners or owners in common, notice need be given only to one such joint owner or common owner, which notice to one shall be deemed notice to all. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the membership record books of the Association, with prepaid postage thereon. Any member may waive notice in writing, of any annual or special meeting of the members. Unless the Condominium Owners specify a different address for notice purposes and deliver same to the Secretary of the Association, such notice shall be delivered to the address of such Owner's Condominium.

5.5 Members Vote. Each Condominium shall be entitled to a vote equal to its Ownership Interest of the Common Elements which is appurtenant to such Condominium as set out in the Declaration. When a quorum is present at any meeting, the consensus vote of members holding a majority of the Ownership Interests of all Condominiums shall decide any question brought before such meeting, unless the question is one upon which, by express provisions of the Statutes, the Declaration, the Certificate of Incorporation, or of these By-Laws, a different vote is required, in which case such express provision shall govern and control the decision of such question.

5.6 Designation of Voting Member. The person designated as Condominium Owner on the books of the Association shall be entitled to represent such Person's respective Condominium and to cast its respective vote. No vote shall be allowed Condominiums owned by the Association. Where a Condominium is owned by more than one Person, any such owner is authorized to cast the vote of the Condominium. Provided, however, should more than one such multiple owner attempt to cast the vote of a single Condominium, then such vote shall not be counted unless such multiple votes concur in

how such vote should be cast. Further provided, that where there is multiple ownership of a single Condominium, the Board of Directors of the Association may require all the owners thereof to designate in writing an individual who shall be entitled to cast the vote on behalf of all the owners of such Condominium, which designation shall be effective until it has been changed in writing.

5.7 Closing of Transfer Books or Fixing of Record Date. In order to determine the members who are entitled to notice of any meeting or who are entitled to vote at any meeting of members or any adjournment thereof, or in order to identify the members for any other proper purpose, the Board of Directors of the Association may provide that the membership record books shall be closed for a stated period but not to exceed, in any case, forty (40) days. If the membership record books shall be closed for the purpose of determining members entitled to notice of or to vote at a meeting of members, such books shall be closed for a least five (5) days immediately preceding such meeting. In lieu of closing the membership record books, the Board of Directors may fix in advance a date as the record date for any such determination of members, such date in any case to be not more than forty (40) days and, in the case of a meeting of members, not less than five (5) days prior to the date on which the notice is given. If the membership record books are not closed and no record date is fixed for the determination of members entitled to vote at any meeting in which either notice is waived and no notice is given, or for actions of other members to be taken without a meeting, then the record date shall be the day preceding such meeting or the day preceding the date of the memorandum without action, as the case may be. When a determination of members entitled to vote at any meeting of members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

5.8 Voting Lists. The officer or agent having charge of the membership record books of the Association shall make a complete list of the members entitled to vote at such meeting, or adjournment thereof, with their address and the Ownership Interest owned by each. Such list shall be kept on file in the principal office of the Association for the transaction of business or at such other place within the Property that the Board may prescribe and shall be subject to inspection by any member upon reasonable notice during usual business hours. The original membership record book shall be prima facie evidence as to who are the members entitled to examine such list or to vote at any meeting of members. Members shall be responsible for providing information to the Secretary documenting any change in ownership of a Condominium. The Association may require certified copies of a deed of conveyance to document any such ownership change and may also require certified copies of first mortgages.

5.9 Quorum. Members holding a majority of the Ownership Interests of all Condominiums shall constitute a quorum at a meeting

of members, if represented in person or by proxy. If less than a Majority of Ownership Interests is so represented at a meeting, such Owners so represented may adjourn the meeting without further notice upon a vote of a majority of the voting power present.

5.10 Proxies. At all meetings of members, a member may vote by proxy, executed in writing by the voting member of a Condominium or by his duly authorized attorney in fact, and bearing a date not more than eleven (11) months prior to said meeting unless said instrument provides for a longer period. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting.

5.11 Voting by Certain Members. Condominiums standing in the name of another corporation may be voted by such officer, agent or proxy as the by-laws of such corporation may prescribe, or, in the absence of such provisions, as the board of directors of such corporation may determine.

Condominiums which are a part of an estate, and are within the control of an administrator, executor, guardian or conservator, may be voted by such representative, in person or by proxy, without a transfer of such membership into his name. Condominiums standing in the name of a trustee may be voted by him, either in person or by proxy, but no trustee shall be entitled to vote without a transfer of such Condominium into his name.

Condominiums standing in the name of a receiver may be voted by such receiver, and Condominiums held by or under the control of a receiver may be voted by such receiver without the transfer thereof into such receiver's name if authority to do so be contained in an appropriate order of the court by which such receiver was appointed.

Condominiums belonging to the Association, except those held by it in a fiduciary capacity, shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total Ownership Interests for any purpose.

5.12 Informal Action by Members. Unless otherwise provided by law, any action required to be taken at a meeting of the members, or any other action which may be taken at a meeting of the members, may be taken without a meeting if a "Memorandum of Action Without Meeting" setting forth the action so taken, shall be signed and consented to by all of the members entitled to vote with respect to the subject matter thereof.

5.13 Consent of Absentees. The transactions of any meeting of members, either annual or special, however called and noticed, shall be valid, notwithstanding any irregularity in notice or call, if a quorum be present either in person or by proxy and if, either before or after the meeting, each member who was not present in person or by proxy, but who was entitled to vote, signs a written waiver of notice, a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with and made a part of the minutes of the meeting.

5.14 Mortgagee Representation. Institutional holders of first mortgages on Condominiums shall have the right to attend all membership meetings if their representative is designated in writing to the Board, and upon request of such mortgage holder, notice of such meetings shall be given to such mortgagee at the address so designated in writing. Provided, however, the failure to give notice to any such mortgagee, or the failure of such mortgagee to be admitted to any such meeting, shall not of itself render the action taken at such meeting void or voidable.

5.15 Voting. Voting of the members may be by voice or by ballot; provided, however, that all elections for Directors shall be by secret written ballot upon demand made by any member before the voting begins. Cumulative voting is prohibited.

ARTICLE VI

MEMBERSHIP ASSESSMENTS AND LIEN RIGHTS

6.1 Regular Assessments. In accordance with the provisions of these By-Laws and the Declaration, the Board shall fix and determine the regular assessments to be paid by each Condominium Owner for the purpose of operating, maintaining and repairing the Common Elements (including a reserve fund for those Common Elements which must be repaired or replaced on a periodic basis) and paying the necessary expenditures of the Association. Further, the Board shall establish an operating reserve for replacement as set forth in the Declaration. Provided, however, the authority of the Board to make such regular assessments shall in all respects be limited to that which is given in the Declaration. Such regular assessments shall be paid in monthly installments in accordance with the Declaration.

6.2 Special Assessments. In addition to levying the regular assessments, the Board may levy special assessments for the purpose of defraying, in whole or in part, the cost of capital alterations, capital additions or capital improvements to the Common Elements as may be determined by the Board; provided, however, that such additions, alterations or improvements shall first have been approved by a Majority of Ownership Interests, all in accordance with the provisions of the Declaration.

The Board may also levy special assessments against individual Condominium Owners to reimburse the Association for costs and expenses resulting from having to enforce the compliance of each Condominium Owner, his tenant or guest, or of his Condominium, with the provisions of the Declaration, the Articles of Incorporation, the By-Laws of the Association and/or the rules and regulations promulgated by the Board.

6.3 Lien Rights. As provided in the Declaration, the Association shall have a lien against the interest of each Condominium Owner in his Condominium to secure the full and prompt payment of

all assessments levied by the Association, and in the event of default, such lien may be foreclosed by the Association.

Any assessment which is not paid when due shall be delinquent. Assessments not paid within thirty (30) days after the due date, shall bear interest from the due date at the maximum legal rate, and the Association may bring an action at law against such Condominium Owner personally obligated to pay the same, and in addition thereto, or in lieu thereof, may foreclose the lien sixty (60) days after the due date. Interest costs, costs of any legal action, costs of collection and reasonable attorney's fees incurred in such collection, with or without suit, shall be added to such assessments. No member may waive or otherwise escape liability for the assessments by non-use of Common Elements or abandonment of his Condominium.

ARTICLE VII
BOARD OF DIRECTORS

7.1 General Powers. The Property and business of the Association shall be managed by its Board of Directors, which may exercise all such powers of the Association and do all such lawful acts and things as are not by Statute or by the Declaration, the Certificate of Incorporation, or these By-Laws directed or required to be exercised or done by the members.

7.2 Number, Tenure and Qualifications. The number of Directors constituting the whole Board of Directors of the Association shall be not less than three (3) or more than seven (7). The number of Directors to be elected by the Incorporators is three (3). The term of office of the initial Board of Directors who are appointed by the Incorporators shall conform to the Articles of Incorporation, provided that, the two Board members having the shortest terms shall resign upon the earlier to occur of: (i) within one hundred twenty days (120) of the close of the sale of seventy-five percent (75%) of the Condominiums to owner-occupants; or (ii) the expiration of three (3) years from the date of recording the Declaration. Further, until the occurrence of either such event, the number of Directors shall not be increased from three (3). Each Director shall be elected to serve until his successor is elected and qualifies. Directors need not be members. Except for the initial Board, Directors may be removed without cause, and their term shall be for one (1) year. A vote of a Majority of Ownership Interests shall be sufficient to elect a member of the Board. Cumulative voting is prohibited.

7.3 Regular Meetings. The annual meeting of the Board of Directors shall be held immediately after the annual meeting of the members and may be held without notice. The Board of Directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

7.4 Special Meetings. Special meetings of the Board of Directors may be called by, or at the request of, the President or

any (2) Directors. The person or persons authorized to call a special meeting of the Board of Directors may fix the place for holding any special meeting of the Board of Directors called by them.

7.5 Notice. Notice of any special meeting shall be given at least five (5) days prior thereto by written notice delivered personally or mailed to each Director at his business address, or such address as he may designate, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with prepaid postage thereon. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

7.6 Quorum. A majority of the number of Directors fixed by Section 7.2 hereof shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

7.7 Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

7.8 Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors, unless otherwise provided by law. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by election at an annual meeting or at a special meeting of members called for that purpose.

7.9 Compensation. Directors, as such, shall not receive any stated salary for their services, but, by resolution of the Board of Directors, the Directors may be reimbursed their expenses, if any, incurred in their capacity as Directors.

7.10 Presumption of Assent. A Director who is present at a meeting of the Board of Directors at which action on any matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

7.11 Executive Committee. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate an executive committee, said committee to consist of two (2) or more of the Directors of the Association, which, to the extent provided in said resolution or resolutions, shall have and may exercise the powers of the Board of Directors in the management of the business and affairs of the Association, and may have power to authorize the seal of the Association to be affixed to all papers which may require it, between regular meetings of the Directors, subject to the control of the Board.

The committees shall keep regular minutes of their proceedings, and report the same to the Board when required.

ARTICLE VIII OFFICERS

8.1 Number. The officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. The office of Vice President may be held vacant. Such other officers, assistant officers, and agents as may be deemed necessary may be elected or appointed by the Board of Directors.

8.2 Election and Term of Office. Except for the initial officers of the Association as designated in the Articles of Incorporation, who shall hold office until they resign or are removed, the officers of the Association shall be elected annually at the first meeting of the Board of Directors held after each annual meeting of the members. If the officers are not elected at such meeting, then as soon thereafter as practicable a special meeting of the Board shall be called for such purpose. Each officer shall hold office until his successor has been duly elected and qualified, or until his death, or until he resigns or has been removed in the manner herein provided.

8.3 Removal. Any officer or agent elected by the Board of Directors may be removed by an affirmative vote of a majority of the Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

8.4 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

8.5 President. The President shall be a member of the Board of Directors and shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall, in general, supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the members and of the Board of Directors. He shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

8.6 Vice President. In the absence of the President or in the event of his death, inability, or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

8.7 Secretary. The Secretary shall:

(a) Keep the minutes of the members' and of the Board of Directors' meetings in one or more books provided for that purpose;

(b) Give, or cause to be given, all notices in accordance with the provisions of these By-Laws or as required by law;

(c) Be custodian of the Association's records and of the seal of the Association and see that the seal of the Association is affixed to all documents whose execution on behalf of the Association under its seal is duly authorized or required;

(d) Keep a register of the post office address of each member which shall be furnished to the Secretary by such Association;

(e) Have general charge of the membership records of the Association; and

(f) In general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

8.8 Treasurer. The Treasurer shall:

(a) Have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for monies due and payable to the Association from any source whatsoever; deposit all such monies in the name of the Association with such banks, trust companies or other depositories as shall be selected by the Board; keep full and accurate accounts of receipts and disbursements in books belonging to the Association and render to the President and Directors at each regular meeting of the Board, or whenever they may require it, an account of all of such transactions and the financial condition of the Association; and

(b) In general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. Such bond shall be at the expense of the Association.

8.9 Other Officers. Such other officers, assistant officers and agents which may be elected or appointed by the Board of Directors

shall perform such duties as shall be assigned to them by the Board of Directors.

8.10 Compensation and Fees. The officers of the Association shall not receive any monetary compensation for their services performed in the conduct of the business of the Association, except upon the vote or written consent of a Majority of Ownership Interests. Nothing herein contained shall be construed or preclude any officer from serving the Association in any other capacity as an agent, manager, employee or otherwise and receiving compensation therefor. Officers of the Association may be reimbursed for expenses incurred in carrying on the business of the Association.

ARTICLE IX

CONTRACTS, LOANS, CHECKS AND DEPOSITS

9.1 Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement, to pledge its credit or to render it liable for any purpose or amount.

9.2 Loans. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

9.3 Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association with such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE X

INDEMNIFICATION OF DIRECTORS AND OFFICERS

10.1 Indemnity. To the extent consistent with Oklahoma or other applicable law in effect from time to time, any and all present and future Directors or officers of the Association shall be indemnified by the Association against all costs, and legal or other expenses, including counsel fees and the costs or amount of settlement reasonably incurred by or imposed upon them, or any of them in connection with the defense of any action, suit or proceeding, whether civil or criminal, in which they, or any of them are made parties, or a party, by reason of being or having been Directors or officers or a Director or officer of the Association. The right of indemnification herein provided shall apply whether or not

such Director or officer or former Director or officer is such at the time such costs or expenses are incurred or imposed.

10.2 Conditions of Indemnity. Such right of indemnification shall not apply, however, if any such Director or officer or former Director or officer shall be finally adjudged in such action, suit or proceeding to be liable for misconduct in the performance of duty. If any such action, suit or proceeding is settled (whether by agreement, entry of judgment by consent, or otherwise) without a final determination on the merits, the determination by a majority of the Board of Directors, which members of the Board are not parties to or involved in such action, suit or proceeding, though less than a quorum, or of any disinterested person or a majority of more than one disinterested person to whom the question may be referred by the Board of Directors, that such action, suit or proceeding did not arise out of misconduct in the performance of duty by the Director or officer or former Director or officer indemnified, and that such Director or officer would not be held liable in the action, suit or proceeding in question, shall be necessary and sufficient to justify indemnification hereunder.

10.3 When Indemnity Applies. For the purpose of the preceding provisions:

(a) The right of indemnification conferred hereby shall extend to any threatened action, suit or proceeding;

(b) The determination of an action, suit or proceeding by a plea of nolo contendere or other like plea shall not constitute a final determination on the merits; and

(c) Unless expressly so adjudicated, a judgment against a Director or officer or former Director or officer indemnified, in any civil, criminal or other action, suit or proceeding, shall not constitute a determination that such Director or officer had been liable for misconduct in the performance of duty. Advances may be made by the Association against costs, expenses and fees, as, and upon the terms, determined by the Board of Directors.

10.4 Non-Exclusive Indemnity. The foregoing right of indemnification shall not be exclusive of any other rights to which any Director or officer may be entitled as a matter of law or which may be lawfully granted to him; and the indemnification herein provided shall be in addition to and not in restriction or limitation of any other privilege or power which the Association may lawfully exercise with respect to the indemnification or reimbursement of Directors or officers.

ARTICLE XI

POWERS AND DUTIES OF ASSOCIATION

11.1 General. Subject to the provisions of the Declaration and to the limitations of the Articles of Incorporation, other provisions of

these By-Laws and the Oklahoma Corporations Code as to action to be authorized or approved by the members, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by the Board, without prejudice to such general powers but subject to the same limitations. It is hereby expressly declared that the Directors shall have the powers and duties as set out below in this Article XI.

11.2 Elect Officers. To select and remove all the officers, agents and employees of the Association, prescribe such powers and duties for them as may be consistent with the law, the Articles of Incorporation, the By-Laws or the Declaration.

11.3 Conduct Business. To conduct, manage and control the affairs and business of the Association, and to make such rules and regulations therefor consistent with the law, the Articles of Incorporation, the By-Laws or the Declaration as they deem best, including rules and regulations for the operation of the Common Elements and facilities owned or controlled by the Association.

11.4 Principal Office, Seal. To change the principal office for the transaction of the business of the Association from one location to another within the same city; to designate any place within the City of Tulsa, State of Oklahoma, for the holding of any membership meeting or meetings and to adopt, make and use a corporate seal, and to alter the form of such seal from time to time as in their judgment they may deem best, provided such seal shall at all times comply with the provisions of law.

11.5 Borrow Money, Pledge Assets. To borrow money and incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor; provided, however, that the Board shall not have the power to borrow money for the Association during any fiscal year in excess of the aggregate sum of, nor to sell during any fiscal year Property of the Association having an aggregate fair market value greater than, ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year without the vote or written assent of a Majority of Ownership Interests.

11.6 Insurance. To contract and pay for fire, casualty, liability, fidelity and other insurance adequately insuring the Association and Condominium Owners with respect to the Common Elements and the affairs of the Association, which shall include bonding of the members of any management body. Notwithstanding any provisions to the contrary herein, so long as either the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC"), the Veterans Administration ("VA") or the Federal Housing Administration ("FHA") holds a mortgage on a Condominium in the project, or owns a Condominium, the Association shall continuously maintain in effect such casualty and liability

insurance and fidelity bond, meeting all requirements and standards as to coverage and endorsements as may be prescribed from time to time by FNMA, FHLMC, VA or FHA. Such casualty insurance shall include, but not be limited to, a condominium master or blanket policy with full replacement cost coverage and an agreed value endorsement. Whether or not FNMA or FHLMC holds any mortgage, fidelity insurance shall be in the form of a bond in an amount as may be determined from time to time by the Board of Directors, which names the Association as obligee and protects against misuse and misappropriation of Association property by members of the Board, officers, employees of the Association or any management agent and his employees whether or not any such person is compensated for his services.

11.7 Pay Common Utility Expenses. To pay all charges for water, electricity, gas, and other utility services for the Common Elements and, to the extent not separately metered or charged, for each Condominium.

11.8 Manage Common Elements. To manage, operate, maintain and repair the Common Elements and all improvements located thereon, including the restoration and replacement of any or all of the buildings, structures or improvements which are part of the Common Elements at any time and from time to time as the Board may determine desirable or necessary; to make capital expenditures for and on behalf of the Association with the vote or written assent of a majority of the voting power of the Association; and to designate and dismiss the personnel necessary for the maintenance, upkeep and repair of the Common Elements.

11.9 Access to Condominiums. To enter any Condominium or Limited Common Element subject to the limitations set forth in the Declaration.

11.10 Enforce Declaration. To enforce the provisions of the Declaration, the Articles of Incorporation and By-Laws of the Association, the rules and regulations adopted by the Board and the provisions of any agreement to which the Association is a party.

11.11 Enter Into Contract. To contract and pay for maintenance, gardening, utilities, materials, supplies and services relating to the Common Elements and to employ personnel necessary for the operation and maintenance of the same, including legal and accounting services; provided, however, that the term of any contract with a third person for supplying goods or services to the Common Elements or for the Association shall not exceed a term of one (1) year unless a longer term is approved by a Majority of Ownership Interests, except that a contract with a public utility company for materials or services, the rates for which are regulated by the Public Utilities Commission, may exceed a term of one (1) year so long as it does not exceed the shortest term for which the public utility will contract at the regulated rate. A contract for prepaid casualty and/or liability insurance policies may be for a term not exceeding

three (3) years, provided that the policy permits short-rate cancellation by the Association.

11.12 Professional Management. To enter into contracts with firms or individuals to provide professional management of the project assuming the ministerial tasks of the Association, subject to the review and control of the Association's officers. Anything contained herein to the contrary notwithstanding, the Board shall not terminate professional management of the Property and assume self-management without the prior written approval of mortgagees holding one hundred percent (100%) of the first mortgages on the Condominiums. Any agreement for management of the Property or any contract providing for such services, shall be terminable for cause upon thirty (30) days' written notice and without cause or payment of a termination fee upon ninety (90) days' written notice and shall have a term of not more than one (1) year, renewable with the consent of the Association and the management agent.

11.13 Pay Taxes. To pay any taxes and governmental special assessments which are or could become a lien on the Common Elements or any portion thereof.

11.14 Disciplinary Proceedings. To initiate and execute disciplinary proceedings against members of the Association for violations of the provisions of the Articles of Incorporation and the By-Laws of the Association, the Declaration and the rules and regulations adopted by the Board.

11.15 Budget Preparation. To prepare budgets and financial statements for the Association as provided in the By-Laws.

11.16 Notices to Mortgagees. Upon the written request of the holder, insurer or guarantor of any first mortgage encumbering any Condominium, the Association shall:

(a) Notify the mortgagee, insurer or guarantor in writing of any default by its mortgagor in the performance of the mortgagor's obligations under the By-Laws or the Declaration which is not cured within sixty (60) days.

(b) Give notice in writing to FNMA, FHLMC, VA and/or FHA in care of the servicers of such loans on Condominiums of any loss to or taking of the Common Elements if such loss or taking exceeds Ten Thousand Dollars (\$10,000), and of any damage to a Condominium if such damage exceeds One Thousand Dollars (\$1,000).

(c) Give timely written notice to such mortgagee, insurer or guarantor if any Condominium or any part of the Common Elements is made the subject of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority.

11.17 Project Documentation. The Association shall be required to make available ("available" means available for inspection, upon written request, during normal business hours or under other reasonable circumstances), to Unit Owners and Lenders, and to

holders, insurers or guarantors of any first mortgage, the following documentation:

(a) Current copies of the Declaration, By-Laws, and other rules concerning the Project and the books, records and financial statements of the Association;

(b) An audited financial statement for the immediately preceding fiscal year, prepared at the requesting party's expense if one is not otherwise available. Any audited financial statement requested shall be furnished within a reasonable time following such requests.

11.18 Law Suits. To prosecute or defend, in the name of the Association, any action affecting or relating to the Common Elements or the Property owned by the Association, and any action in which all or substantially all of the Condominium Owners have an interest.

11.19 Use of Committees. To delegate any of its powers hereunder to others, including committees, officers and employees.

ARTICLE XII
MISCELLANEOUS

12.1 Inspection of Books and Records. The Association shall keep in its principal office for the transaction of business, or at a place within the Property as the Board shall prescribe, the original or a copy of the By-Laws as amended or otherwise altered to date, certified by the Secretary, a membership register, books of account and copies of minutes of all membership, Board and committee meetings all of which shall be made available for inspection and copying by any member of the Association, or by any member's duly appointed representative and by all first mortgagees, at any reasonable time with reasonable notice and for a purpose reasonably related to his interest as a member or mortgagee. The Board shall establish reasonable rules with respect to:

(a) Notice to be given to the custodian of the records by the member or mortgagee desiring to make the inspection;

(b) Hours and days of the week when such an inspection may be made; and

(c) Payment of the costs of reproducing copies of documents requested. Every Director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the Common Elements. The right of inspection by a Director shall include the right at his expense to make extracts and copies of documents.

12.2 Fiscal Year. The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of each year, except that the first fiscal year shall begin on the date as set out in the Declaration. However, the fiscal year of the Association is subject to change from time to time as the Board shall determine.

12.3 Financial Statements. The Board shall cause a financial statement of the affairs of the Association to be made as of the last day of each fiscal year of the Association. Said financial statement shall reflect the financial condition of the Association as of said date and shall summarize the financial transactions in which the Association was involved during the fiscal year.

12.4 Budget. The Board shall cause a pro forma operating statement (budget) for the Association to be prepared for the second and each succeeding fiscal year of the Association, a copy of which shall be distributed personally or by mail to each of the members of the Association not less than thirty (30) days prior to the beginning of the fiscal year to which the budget relates. The failure of the Board to provide a copy of the budget to any Condominium Owner shall not constitute a reason or defense for the failure of such Condominium Owner to promptly and timely pay any regular or special assessment when same is due.

12.5 Terms Conflicting with the Declaration. The terms of the By-Laws which are, or may be, in direct conflict with the terms of the Declaration shall be interpreted so as to conform with the intent of the terms of the Declaration, which shall control.

ARTICLE XIII
AMENDMENTS

13.1 Amendments. Except as otherwise provided herein, new By-Laws may be adopted or these By-Laws may be amended or repealed by the vote of the members owning seventy-five percent (75%) of the Ownership Interests or by the written assent of such members; provided, however, that no material amendment to the By-Laws shall be made without the prior written approval of Mortgagees holding fifty-one percent (51%) of the first mortgages encumbering Condominiums. Upon amendment to these By-Laws, such amendments shall be Recorded.

ARTICLE XIV
SEAL

14.1 Seal. The Board of Directors shall provide a corporate seal which shall have inscribed thereon the name of the Association and the words, "Corporate Seal."

ARTICLE XV
WAIVER OF NOTICE

15.1 Waiver of Notice. Unless otherwise provided by law, whenever any notice is required to be given to any member or Director of the Association under the provisions of these By-Laws, the Articles of Incorporation, or Declaration, a waiver thereof in

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writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

The undersigned, being President of Cedarcrest Park Townhomes Association, Inc., a corporation not for profit under the laws of the State of Oklahoma, does hereby certify that the foregoing By-Laws were adopted as the By-Laws of the Association at a meeting held for such purpose on the 20th day of May, 19 82

Dan L. Herring
President

Attest:

[Signature]
Asst. Secretary



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