

**BYLAWS  
THE VILLAGES AT COFFEE CREEK COMMUNITY ASSOCIATION, INC.  
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**ARTICLE I  
NAME, PRINCIPAL OFFICE, AND DEFINITIONS**

1.1. Name. The name of the Association shall be The Villages at Coffee Creek Community Association, Inc. ("Association.")

1.2. Principal Office. The principal office of the Association shall be located at 2000 S.E. 15<sup>th</sup> Street, Building 450, Edmond, Oklahoma 73013. The Association may have such other offices as the Board may determine or as the affairs of the Association may require.

1.3. Definitions. The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that Declaration of Covenants, Conditions, and Restrictions for The Villages at Coffee Creek filed in the Official Records ("Declaration"), unless the context indicates otherwise.

## **ARTICLE II ASSOCIATION: MEMBERSHIP, MEETINGS, QUORUM, VOTING PROXIES**

2.1 Membership. The Association shall have two classes of membership, Class "A" and Class "B", as set forth in the Declaration. The provisions of the Declaration pertaining to membership are incorporated herein by this reference.

2.2. Place of Meetings. Meetings of the Association shall be held within the Properties or at such other suitable place within Oklahoma County, Oklahoma as may be designated by the Board.

2.3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year after incorporation of the Association. Meetings shall be of the Voting Members (until Voting Members are established, Members shall serve as their own Voting Members as provided in the Declaration). Subsequent regular annual meetings shall be set by the Board so as to occur at least 30 days but not more than 120 days before the close of the Association's fiscal year on a date and at a time set by the Board.

2.4. Special Meeting. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or upon a petition signed by Voting Members holding at least 10% of the voting power of the association.

2.5. Notice of Meetings. Written notice stating the place, day, and hour of any meeting of the Voting Members shall be delivered, either personally or by mail, to each Voting Member entitled to vote at such meeting, not less than 10 nor more than 50 days before the date of such meeting, by or at the direction of the President or the Secretary officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No other business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his or her address as it appears on. The records of the Association, with postage prepaid.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice. Any Voting Member may, in writing, waive notice of any meeting of the Voting Members, either before or after such meeting. Attendance at a meeting by a Voting Member shall be deemed waiver by such Voting Member of notice of the time, date, and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the Voting Members who are present at such meeting may adjourn the meeting to a date not less than 5 nor more than 30 days from the time the original meeting was called. At the reconvened meeting, any business may be transacted which might have been transacted at the meeting originally called provided that Voting Members representing at least 25% of the total voting power of the Association are present. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Voting Members in the manner prescribed for regular meetings.

2.8. Voting. The voting rights of Members and Voting Members shall be set forth in the Declaration and in these By-Laws, and such voting rights provisions are incorporated herein by this reference. Votes may be registered by voice vote or at a ballot meeting, or otherwise by mail, computer, or pursuant to other policies as determined by the Board; provided, meetings shall be held when required by the Declaration or By-Laws. All membership votes shall be subject to the quorum requirements of Section 2.11.

2.9. Proxies. Voting Members may not vote by proxy but only in person or through their designated alternates. A Member may vote in person or by proxy on any matter as to which such Member is entitled to vote. Each proxy shall be in writing, dated, signed and filed with the Secretary prior to the meeting for which it is to be effective. Proxies may be delivered to the Secretary by personal delivery, U. S. mail or telecopy to any Board member or the professional management agent, if any. Unless otherwise provided in the proxy, a proxy shall cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. No proxy shall be valid more than 11 months after its execution unless otherwise provided in the proxy. Every proxy shall be revocable and shall automatically cease upon conveyance of the Member's Unit.

2.10. Majority. As used in these Bylaws, the term "majority" shall mean those votes, Owners, or other group, as the context may indicate, totaling more than 50% of the total eligible number.

2.11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence of Voting Members representing a majority of the total Class "A" votes in the Association shall constitute a quorum at all meetings of the Association. Until Voting Members are established, the quorum for any meetings at which Members act as their own Voting Members shall be 20% of the total Class "A" votes in the Association. Members or Voting Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough to leave less than a quorum, provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

2.12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring at the meeting.

2.13. Video or Telephonic Participation. One or more Voting Members may participate in and vote during any regular or special meeting of the Voting Members by telephone conference call, video conference, fiber optics, cable, computer, or similar communication equipment by means of which all Persons participating in the meeting can hear each other at the same time, and those Voting Members so participating shall be present at such meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Association.

2.14. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Voting Members may be taken without a meeting, without prior notice, and without a vote if written consent specifically authorizing the proposed action is signed by Voting Members representing at least the minimum number of votes necessary to authorize such action at a meeting if all Voting Members entitled to vote thereon were present. All such consents shall be signed within 60 days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of Oklahoma. Such consents shall be filed with the minutes of the Association.

### **ARTICLE III BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS**

#### **A. Composition and Selection.**

3.1. Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors. Each director shall have one equal vote. Except with respect to directors appointed by the Class "B" Member, the directors shall be Members and residents; provided, however, no more than one representative from a Unit may serve on the Board at the same time. All directors shall complete, prior to being elected to the Board, such training and committee or other service requirements as established by the Board.

In the case of a Member which is not a person, any officer, director, partner, or trust officer of such Member shall be presumed to be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member. No Member may have more than one such representative on the Board at a time, except in the case of directors appointed by the Class "B" Member.

3.2. Number of Directors. The Board shall consist of from three to five directors, as provided in Sections 3.3 and 3.5 below. The initial Board shall consist of three directors as identified in the Certificate.

3.3. Directors During Class "B" Membership. Subject to the provisions of Section 3.5, the directors shall be appointed by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member until such membership expires or is voluntary terminated.

3.4. Nomination of Directors. Except with respect to directors appointed by the Class "B" Member, nominations for election to the Board may be made from the floor and also by a Nominating Committee. The Nominating Committee shall consist of three or more persons and a Chairperson, who shall be a member of the Board, with at least one representative from each Voting Group, if such have been established. The remaining members of the Nominating Committee shall be Members, residents of Units, or any officer, director, or trust officer of a Member which is not a natural person.

The members of the Nominating Committee shall be appointed by the Board not less than 60 days prior to each annual meeting to serve a term of one year and until their successors are appointed, and such appointment shall be announced in the notice of each election. The Nominating Committee shall nominate candidates for the Board no later than 30 days before the meeting at which the election shall be held.

The Nominating Committee shall make as many nominations on each slate for election to the Board as it shall in its discretion determine, but in no event less than the number of positions to be filled from each slate. The Nominating Committee shall nominate separate slates for the directors, if any, to be elected at large by all Class "A" votes, and for the director( s) to be elected by the votes within each Voting Group. If the Board has adopted prerequisites to Board service, such as service as a Voting Member or committee member, the Nominating Committee and all nominees from the floor shall fulfill such requirements to be eligible, unless the Board waives such requirements. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

3.5. Election and Term of Office. Except as otherwise specifically provided, election of directors shall take place at the Association's annual meeting. Notwithstanding any other provision of these By-Laws:

(a) Within 30 days after the time that Class "A" Members other than Builders own 25% of the Units permitted by the Master Plan for the property described in Exhibits "A" and "B" of the Declaration, or whenever the Class "B" Member earlier determines, the President shall call for an election by which the Voting Members shall be entitled to elect one of the three directors, who shall be an at-large director. The remaining two directors shall be appointees of the Class "B" Member. The director elected by the Voting Members shall not be subject to removal by the Class "B" Member and shall be elected for a term of two years or until the happening of the event described in subsection (b), whichever is shorter. If such director's term expires prior to the happening of the event described in subsection (b), a successor shall be elected for a like term.

(b) Within 30 days after the time that Class "A" Members other than Builders own 50% of the Units permitted by the Master Plan for the property described in Exhibits "A" and "B" of the Declaration, or whenever the Class "B" Member earlier determines, the Board shall be increased to five directors. The President shall call for an election by which the Voting Members shall be entitled to elect two of the five directors, who shall serve as at-large directors. The remaining three directors shall be appointees of the Class "B" Member. Directors elected by the Voting Members shall not be subject to removal by the Class "B" Member and shall be elected for a term of two years or until the happening of the event described in subsection (c) below, whichever is shorter. If such directors' terms expire prior to the happening of the event described in subsection (c) below, successors shall be elected for a like term.

( c) Within 90 days after termination of the Class "B" Membership Period, the President shall call for an election by which the Voting Members shall be entitled to elect four of the five directors. At least one director shall be elected from each Voting Group and any remaining directors shall serve as at-large directors. The remaining one director shall be appointed by the Declarant. Two of the directors elected by the Voting Members shall serve a term of two years and two shall serve a term of one year, as such directors determine among themselves.

So long as the Declarant owns portion of the Properties or which may become a part of the Properties, the Class "B" Member shall be entitled to appoint one director. Thereafter, the director appointed by the Declarant shall resign and the remaining directors shall be entitled to appoint a director to serve until the next annual meeting, at which time the Voting Members shall be entitled to elect a director to fill such position. Such director shall be elected for a term of two years.

Upon expiration of the term of office of each director elected by the Voting Members, Voting Members entitled to elect such director shall be entitled to elect a successor to serve a term of two years. Directors elected by the Voting Members shall hold office until their respective successors have been elected. Directors may be elected to serve any number of consecutive terms.

The following diagram illustrates Board composition. The diagrammatic summary exists for illustrative purposes only. In the event of a conflict between the diagram and the text of any of the Governing Documents, the Governing Documents shall control.

Composition of Board of Directors  
**(original schematic purposely omitted – Voting Members now control Board)**

3.6. Removal of Directors and Vacancies. Any director elected solely by the Voting Members may be removed, with or without cause, by the vote of Voting Members, but shall not be subject to removal solely by the Class "B" Member. Any director whose removal is sought shall be given notice prior to any meeting called and noticed for that purpose. Upon removal of a director elected by the Voting Members, a successor shall be elected by the Voting Members. If Voting Groups have been established, the successor shall be from the same Voting Group as the director being replaced.

Any director elected by the Voting Members who has three consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent in the payment of any assessment or other charge due the Association, may be removed by a majority of the directors present at a regular or special meeting of the Board at which a quorum is present, and a successor may be appointed by the Board to fill the vacancy for the remainder of the term.

In the event of the death, disability, or resignation of a director elected by the Voting Members, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Voting Members may elect a successor for the remainder of the term. In the event of the death, disability, or resignation of a director appointed or elected by the Declarant or the Class "B" Member, the Declarant or the Class "B" Member, as appropriate, may appoint a successor director to fill the vacancy.

**B. Meetings.**

3.7. Organizational Meetings. The Board shall hold its first meeting within 10 days after each annual election of directors.

3.8. Regular Meetings. Regular meetings of the Board may be held at such time and place as the Board shall determine, but at least one such meeting shall be held each quarter. Notice of the time and place of the meeting shall be posted in a prominent place within the Properties and communicated to directors not less than four days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

3.9. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President or by any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; ( c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director;

or (d) facsimile. All such notices shall be given at the director's telephone or fax number, or sent to the director's address as shown on the records of the Association. Notices of special meetings of the Board shall be posted in a prominent place within the Properties. Notices sent by first class mail shall be deposited into a United States mailbox at least seven business days before the time set for the meeting. Notices given by personal delivery, telephone, facsimile, or other device shall be delivered, telephoned, or transmitted at least 72 hours before the time set for the meeting.

3.10. Waiver of Notice. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of-notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.11. Quorum of Board of Directors. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.12. Compensation. No director shall receive any compensation from the Association for acting as such; provided, however, any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into-such contract and such contract was approved by a majority of the Board, excluding the interested director.

3.13. Conduct of Meeting. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of meetings of the Board, recording all resolutions adopted by the Board and all transactions and proceedings occurring at such meetings.

3.14. Open Meeting. Subject to the provisions of Sections 3.15 and 3.16, all meetings of the Board shall be open to all Members; however, Members other than a director may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a director. In such case, the President may limit the time any Member may speak. Notwithstanding the foregoing, the President may adjourn any meeting of the Board and reconvene in executive session, excluding Members, to discuss matters of a confidential nature.

3.15. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote. Written consent or consents shall be filed with the minutes of the proceedings of the Board.

3.16. Video of telephonic participation. One or more directors may participate in and vote during any regular or special meeting of the Board by telephone conference call, video conference, fiber optics, cable, computer, or similar communication equipment by means of which all Persons participating in the meeting can hear each other at the same time, and those directors so participating shall be present at such meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

C. Powers and Duties.

3.17. Powers. The Board shall have all of the powers and duties necessary and appropriate for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Declaration, these By-Laws, the Certificate, and as provided bylaw. The Board may do or cause to be done all acts and things as are not by the Declaration, Certificate, these By-Laws, or Oklahoma law directed to be done and exercised exclusively by the Voting Members or the membership generally.

3.18. Duties. The duties of the Board shall include, without limitation:

(a) preparation and adoption of annual budgets and establishing each Owner's share off the Common Expenses and Village Expenses, if any.

(b) levying and collecting assessments from the Owners to fund the Common Expenses and Village Expenses, if any;

(c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility; -

(d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) depositing all funds received on behalf of the Association in a bank depository which the Board shall approve and using such funds to operate the Association; provided, any reserve fund may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending Rules and Regulations, Use Restrictions, and establishing remedies, including monetary remedies, for infractions thereof;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Declaration and these By-Laws;

(i) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying property, liability, and commercial crime insurance, as provided in the Declaration, paying the cost thereof, filing and adjusting claims, as appropriate;

(k) paying all taxes and/or assessments which are or could become a lien on the Common Area or a portion thereof;

(l) paying the cost of all services rendered to the Association or its Members and not chargeable directly to specific Owners;

(m) keeping books with detailed accounts of the receipts and expenditures of the Association;

(n) making available to any prospective purchaser of a Unit, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Governing Documents and all other books, records, and financial statements of the Association;

(o) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;

(p) indemnifying a director, officer, or committee member, or former director, officer, or committee member of the Association to the extent such indemnity is permitted or required by Oklahoma law, the Certificate, and these By-Laws;

(q) assisting in the resolution of disputes between Owners and others without litigation, as set forth in the Declaration; and

(r) doing all other and further things that a corporate board of directors may do under the laws of the State of Oklahoma.

3.19. Right of Class "B" Member to Disapprove Actions. So long as the Class "B" membership exists (which terminates upon sale of 75% of the Units as provided in Section 6.3 of the Declaration), the Class "B" Member shall have a right to disapprove any action, policy, or program of the Association or the Board which, in the judgment of the Class "B" Member, would unreasonably impair the developmental and marketing rights of the Declarant or its designees under the Declaration or these By-Laws, or interfere with development, construction, or marketing of any portion of the Properties. This right to disapprove is in addition to, and not in lieu of, any right to approve or disapprove specific actions of the Association, the Board, or any committee as may be granted to the Class "B" Member or the Declarant in the Declaration or these By-Laws.

(a) The Class "B" Member shall be given written notice of all and of all proposed actions of the Association or the Board to be approved at such meetings or by written consent in lieu of a meeting. Such notice shall be given by mail or by personal delivery at the address registered with the Secretary of the Association, as it may change from time to time, or, if no such address is registered, at the address of the Unit, which notice complies with the requirements for Board meetings set forth in these By-Laws and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth in reasonable particularity the agenda to be followed at said meeting.

(b) The Class "B" Member shall be given the opportunity at each such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein. The Declarant, its representatives, or agents may make its concerns, thoughts, and suggestions known to the Board.

(c) No action, policy, or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met and the time period set forth in subsection (d) below has expired.

(d) The Class "B" Member, acting through any officer or director, agent, or authorized representative, may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions, but shall not extend to the requiring of any action or counteraction unless such action or counteraction countermands an action, policy, or program that was not properly noticed and implemented in accordance with these By-Laws. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

3.20. Management. The Association may, but shall not be required to, employ a professional management agent or agents at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Declarant, or an affiliate of the Declarant, may be employed as managing agent or manager. The Board may delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

3.21. Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed; provided however, that any "shortage" shall be calculated on a cash basis of accounting as provided in the Declaration.

(b) accounting and controls should conform to generally accepted accounting Principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board; and

(f) an annual report consisting of at least the following shall be made available to all Members within 120 days after the close of the fiscal year: (1) a balance sheet; (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines, by an independent public accountant

3.22. Borrowing. The Association, acting through its Board, shall have the power to borrow money for any legal purpose; provided, the Board shall obtain the approval by vote or written consent of Voting Members representing at least a majority of the total Association vote if the proposed borrowing exceeds or would exceed 25% of the budgeted gross expenses of the Association for that fiscal year.

3.23. Rights of the Association. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with homeowner associations both within and outside the Properties.

#### 3.24. Enforcement.

(a) Notice. Prior to imposition of those remedies specified in Section 7.4(a) of the Declaration, the Board or, if so directed by the Board, the covenants committee, if established, or the management agent shall serve the alleged violator with written notice including (i) the nature of the alleged violation, (ii) the proposed remedy, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or the covenants committee, if any, within 15 days of delivery of the notice; and (iv) a statement that the proposed remedy shall be implemented as contained in the notice unless a request for a hearing is received by the Board or the covenants committee, if any, within such time period. Proof of proper notice shall be placed in the Board's record book. Proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator requests a hearing.

If a timely request for a hearing is not received by the Board or the covenants committee, if any, the remedy stated in the notice shall be imposed; provided, the Board or the covenants committee may, but shall not be obligated to, suspend any proposed remedy if the violation is cured or if a cure is diligently commenced within the 5 day period. Such suspension shall not constitute a waiver of the right to remedy future violations of the same or other provisions and rules by any Person.

(b) Hearing. If a hearing is requested within the allotted 15-day period, the hearing shall be held before the covenants committee, if any, or if none, before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing and the remedy, if any, imposed.

(c) Appeal. If a hearing is held before a covenants committee, the violator shall have the right to appeal the decision to the Board. To perfect this right, a written notice of appeal must be received by the management agent, President, or Secretary of the Association within 15 days after the hearing date. Decisions of the Board shall be final, subject to the provisions of Article XIII of the Declaration.

## ARTICLE IV OFFICERS

4.1. Officers. The officers of the Association shall be a President, Vice President, Secretary, and Treasurer. The President, Vice President, Secretary, and Treasurer shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable,

such officers to have the authority and perform the duties prescribed by the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2. Election and Term of Officers. The officers of the Association shall be elected annually by the Board at the first meeting of the Board following each annual meeting of the Voting Members.

4.3. Removal and Vacancies. Any officer may be removed by the Board whenever in its judgment the best interests of the Association will be served thereby. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board for the unexpired portion of the term.

4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board. The President shall be the chief executive officer of the Association. The Vice President shall act in the President's absence and shall have all powers, duties, and responsibilities provided for the President when so acting. The Secretary shall keep the minutes of all meetings of the Association and the Board and shall have charge of such books and papers as the Board may direct. In the Secretary's absence, any officer directed by the Board shall perform all duties incident to the office of secretary. The Treasurer shall have primary responsibility for the preparation of the Budget as provided for in the Declaration and these By-Laws and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

4.5. Resignation. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association (other than for the withdrawal of reserve funds) shall be executed by at least two officers or by such other person or persons as may be designated by resolution of the Board.

4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.12 hereof.

## **ARTICLE V COMMITTEES**

5.1 General. The Board may establish such committees and clubs as it deems appropriate to perform such tasks and functions as the Board may designate by resolution. Committee members serve at the Board's discretion for such periods as the Board may designate by resolution; provided, however, any committee member, including the committee chair, may be removed by the vote of a majority of the directors. Any resolution establishing a club shall designate the requirements, if any, for membership therein. Each committee and club shall operate in accordance with the terms of the resolution establishing such committee or club.

5.2. Covenants Committee. In addition to any other committees which the Board may establish pursuant to Section 5.1, the Board may appoint a covenants committee consisting of at least three and no more than seven members. Acting in accordance with the provisions of the Declaration, these By-Laws, and resolutions the Board may adopt, the covenants committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.24 of these By-Laws. The Board may also appoint a subcommittee consisting of at least three and no more than seven members to function as the jury or trial of facts for all hearings held pursuant to Section 3.24.

5.3. Village Committees. In addition to any other committees appointed as provided above, each Village which has no formal organizational structure or association may elect a Village Committee to determine the nature and extent of services, if any, to be provided to the Village by the Association in addition to those provided to all Members of the Association in accordance with the Declaration. A Village Committee may advise the Board on any other issue, but shall not have the authority to bind the Board. Such Village Committees, if elected, shall consist of three to five members, as determined by the vote of the Owners of Units within the Village.

Village Committee members shall be elected for a term of one year or until their successors are elected. Any director elected to the Board of Directors from a Village shall be an official member of the Village Committee. The chairperson of the Village Committee shall be elected from among the members of the committee and shall preside at its meetings and shall be responsible for transmitting any and all communications to the Board.

In the conduct of its duties and responsibilities, each Village Committee shall abide by the notice and quorum requirements applicable to the Board under Sections 3.8, 3.9, 3.10, and 3.11. Meetings of a Village Committee shall be open to all Owners of Units in the Village and their representatives. Members of a Village Committee may act by unanimous written consent in lieu of a meeting.

## **ARTICLE VI MISCELLANEOUS**

6.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise established by Board resolution.

6.2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with Oklahoma law, the Certificate, the Declaration, or these By-Laws.

6.3. Conflicts. If there are conflicts between the provisions of Oklahoma law, the Certificate, the Declaration, and these By-Laws, the provisions of Oklahoma law, the Declaration, the Certificate, and the By-Laws (in that order) shall prevail.

### 6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer, or guarantor of a first Mortgage on a Unit, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: the Declaration, By-Laws, and Certificate, any amendments to the foregoing, the rules of the Association, the membership register, the most recent Financial Statement, the current budget, books of account, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Properties as the Board shall designate.

(b) Rules for Inspection. The Board shall establish reasonable rules with respect to:

- (i) notice to be given to the custodian of the records;
- (ii) hours and days of the week when such an inspection may be made; and
- (iii) payment of the cost of reproducing copies of documents requested.

(c) Inspection Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association in furtherance of such director's duties as a director.

6.5. Notices. Unless otherwise provided in these Bylaws, all notices, demands, bills, statements, or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

6.6. Indemnification. The Association shall indemnify every officer, director, and committee member against all expenses, including counsel fees, reasonably incurred by them and each of them in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer, director, or committee member of the Association.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association. The Association shall indemnify and forever hold each such officer, director, and committee member harmless from any and all liability to others on account of any such contract, commitment, or action. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

6.7. Amendment.

(a) By Declarant. Until termination of the Class "B" membership, Declarant may unilaterally amend these By-Laws if such amendment is (i) necessary to bring any provision hereof into compliance with any applicable governmental statutes, rule, regulation, or judicial determination; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) required by an institutional or governmental lender or purchaser of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Units; (iv) necessary to enable any governmental agency or reputable private insurance company to guarantee or insure Mortgage loans on the Units; or (v) otherwise necessary to satisfy the requirements of any governmental agency for approval of these By-Laws. However, any such amendment shall not adversely affect the title to any Unit unless the affected Owner(s) shall consent thereto in writing. In addition, so long as the Declarant owns any portion of the Properties or has the right to annex property pursuant to Section 9.1 of the Declaration, it may unilaterally amend these By-Laws for any other purpose provided that the amendment has no material adverse effect on any right of any Owner. Thereafter and otherwise, these By-Laws may be amended in accordance with Section 6.7(b).

(b) By Board. Except as provided above, these By-Laws may be amended only by resolution duly adopted by the Board and with the consent of the Declarant, so long as the Declarant owns portion of the Properties or has the right to annex property pursuant to Section 9.1 of the Declaration.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date of Amendments. Amendments to these By-Laws shall become effective upon recordation in the Official Records unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws.

If an Owner consents to any amendment to the Declaration or these Bylaws, it will be conclusively presumed that such Owner has the authority to do so, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Notwithstanding any provision herein to the contrary, no amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege for as long as the Declarant owns any Golf Course or any portion of the Properties or has the right to annex property pursuant to Section 9.1 of the Declaration.

6.8. Severability.

All provisions set forth and made a part of these By-Laws bear independent significance. The provisions of these By-Laws are intended to be independent, and in the event any provisions hereof should be declared by a court of competent jurisdiction to be invalid, illegal, or unenforceable for any reason whatsoever, such illegality, unenforceability, or invalidity shall not affect the remainder of these Bylaws.

**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am the duly elected and acting President of the Association;

That the foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted at a meeting of the Board thereof held on the 30th day of July, 1998.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 30<sup>th</sup> day of July, 1998.

Signed by Derek S. Turner, President, The Villages at Coffee Creek Community Association, Inc.

Attest: Jerry McNabb, Secretary, The Villages at Coffee Creek Community Association, Inc.

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