

OFFICE OF THE SECRETARY OF STATE



**NOT FOR PROFIT  
CERTIFICATE OF INCORPORATION**

*WHEREAS, the Certificate of Incorporation of*

**COBBLESTONE TRAILS, INC. HOMEOWNERS' ASSOCIATION**

*has been filed in the office of the Secretary of State as provided by the laws of the State of Oklahoma.*

*NOW THEREFORE, I, the undersigned, Secretary of State of the State of Oklahoma, by virtue of the powers vested in me by law, do hereby issue this certificate evidencing such filing.*

*IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the Great Seal of the State of Oklahoma.*



*Filed in the City of Oklahoma City this 18th  
day of April, 2002.*

*Mae Hunter*  
Secretary of State

By: *Dana Perry*

***BYLAWS  
OF  
COBBLESTONE TRAILS, INC. HOMEOWNERS' ASSOCIATION***

***ARTICLE I – ORGANIZATIONAL MATTERS***

- Section 1.01. Name
- Section 1.02. Purpose
- Section 1.03. Principal Office
- Section 1.04. Registered Office and Registered Agent
- Section 1.05. Other Offices
- Section 1.06. Future Phases
- Section 1.07. Definitions

***ARTICLE II - MEMBERS***

- Section 2.01. Class of Members
- Section 2.02. Qualification of Members
- Section 2.03. Voting Rights
- Section 2.04. Manner of Acting
- Section 2.05. Annual Meeting
- Section 2.06. Special Meetings
- Section 2.07. Meeting Place
- Section 2.08. Notice of Meeting
- Section 2.09. Closing of Membership Book or Fixing of Record Date
- Section 2.10. Voting Record
- Section 2.11. Quorum
- Section 2.12. Proxies
- Section 2.13. Informal Action by Members
- Section 2.14. Adjourned Meeting and Notice Thereof
- Section 2.15. Validation of Defectively Called or Noticed Meetings
- Section 2.16. Termination of Membership
- Section 2.17. No Resignation
- Section 2.18. No Transfer of Membership

### *ARTICLE III - BOARD OF DIRECTORS*

- Section 3.01. Powers
- Section 3.02. Number, Election, Tenure and Qualifications of Directors
- Section 3.03. Removal of Directors
- Section 3.04. Resignation of Directors
- Section 3.05 Filling Vacancies
- Section 3.06. Regular Meetings
- Section 3.07. Special Meetings
- Section 3.08. Notice of Special Meetings
- Section 3.09. Quorum
- Section 3.10. Transaction of Board
- Section 3.11. Presumption of Assent
- Section 3.12. Conduct of Meetings
- Section 3.13. Action Without a Meeting
- Section 3.14. Compensation
- Section 3.15. Indemnification
- Section 3.16. Board Committees
- Section 3.17. Transactions with the Association
- Section 3.18. Informal Action by Directors

### *ARTICLE IV - OFFICERS*

- Section 4.01. Officers
- Section 4.02. Term of Office and Compensation
- Section 4.03. Subordinate Officers
- Section 4.04. Removal and Resignation
- Section 4.05. Vacancies
- Section 4.06. Indemnification
- Section 4.07. Chairman of the Board
- Section 4.08. President
- Section 4.09. Vice-President
- Section 4.10. Secretary
- Section 4.11. Treasurer

### *ARTICLE V - CERTIFICATES OF MEMBERSHIP*

- Section 5.01. Certificates of Membership
- Section 5.02. Issuance of Certificates

*ARTICLE VI – OBLIGATIONS OF OWNER*

- Section 6.01. General
- Section 6.02. Assessments
- Section 6.03. Maintenance Requirements

*ARTICLE VII - CORPORATE RECORDS*

- Section 7.01. Record Keeping
- Section 7.02. Waiver of Annual Report

*ARTICLE VIII - CONTRACTS, LOANS, CHECKS AND DEPOSITS*

- Section 8.01. Contracts
- Section 8.02. Loans
- Section 8.03. Checks and Drafts
- Section 8.04. Deposits

*ARTICLE IX - MISCELLANEOUS*

- Section 9.01. Fiscal Year
- Section 9.02. Seal
- Section 9.03. Waiver of Notice
- Section 9.04. Adoption, Amendment, or Repeal of Bylaws by Directors
- Section 9.05. Reimbursement of Developer's Expenses

*CERTIFICATE OF SECRETARY*

***BYLAWS  
OF  
COBBLESTONE TRAILS, INC. HOMEOWNERS' ASSOCIATION***

***ARTICLE I  
ORGANIZATIONAL MATTERS***

**Section 1.01. Name.** The name of the corporation is Cobblestone Trails, Inc. Homeowners' Association (the "Association").

**Section 1.02. Purpose.** The purpose for which the Association was formed is to engage in any lawful act or activity for which non-profit corporations may be organized under 60 O.S. Section 851 et seq. (the "Homeowner's Act") and the General Corporation Act (the "Corporation Act") of the State of Oklahoma. The Homeowner's Act and the Corporation Act are collectively referred to herein as the "Acts". Without diminishing the authority of the Association granted under the Acts, the Association's Certificate of Incorporation issued by the State of Oklahoma (the "Certificate"), or under the Deed of Dedication, Conditions and Restrictions dated July 25, 2000, (the "Declaration"), for Cobblestone Trails, an Addition to the City of Collinsville, Tulsa County, State of Oklahoma, according to the recorded Plat thereof (hereinafter, "Cobblestone Trails"), the Association shall manage and maintain the entryway, park, detention area, reserves and other common areas, improvements and facilities of Cobblestone Trails, all as shown on the recorded Plat thereof. The rights and obligations of the Members, and the affairs of the Association, shall be governed first by the mandatory provisions of the Homeowner's Act, second by the Declaration, third by the mandatory provisions of the Corporation Act, fourth by the Certificate, fifth by these Bylaws, and sixth by the optional provisions of the Acts.

**Section 1.03. Principal Office.** The principal office of the Association shall be located at such address as the Board of Directors designates in the State of Oklahoma. The Board is granted full power and authority to change said principal office to any location the Association is qualified to conduct business.

**Section 1.04. Registered Office and Registered Agent.** The registered office of the Association, required by the Corporation Act to be maintained in the State of Oklahoma, may be identical with the principal office of the Association in the State of Oklahoma. The registered office and registered agent shall initially be as set forth in the Certificate of the Association; provided, however, the address of the registered office and appointment of a registered agent may be changed by the Board of Directors, and the Association shall file an appropriate statement of change of registered office or of registered agent, or both, promptly after the taking of such action in accordance with applicable law.

**Section 1.05. Other Offices.** The Board may establish other offices at any time and at any place where the Association is qualified to conduct business.

**Section 1.06. Future Phases.** These Bylaws are intended to govern any and all future phases of development which are specifically denominated as a phase of Cobblestone Trails. It is recognized that such future phases may have separate and independent declarations of covenants, conditions and restrictions (“Future Declarations”) and that such Future Declarations may, in the sole discretion of the Developer, make reference to and thereby adopt the provisions of these Bylaws, thereby incorporating the property referred to in such Future Declarations into this Association and subjecting such property to the Association’s Certificate and these Bylaws. Any Common Area set forth in the Declaration and any Future Declaration may be enjoyed by any Owner of a Lot governed by any of said Declarations.

**Section 1.07. Definitions.** As used herein, the terms shall be defined as set forth in this Section 1.07 unless defined herein or unless the context otherwise requires:

- (a) “Association” shall mean and refer to Cobblestone Trails, Inc. Homeowners’ Association, its successors and assigns;
- (b) “Common Area” shall mean and refer to all land and streets in Cobblestone Trails outside the Lots shown on the plat of Cobblestone Trails, and owned or maintained by the Association for the common use and enjoyment of the Owners, whether a part of Cobblestone Trails subdivision or a part of any additional real property annexed to the jurisdiction of the Association as hereinafter provided. The Common Area to be owned by the Association at the time of the conveyance of the first Lot is described as follows: All of the Reserve Areas of Cobblestone Trails, a subdivision in the City of Collinsville, Tulsa County, Oklahoma, according to the recorded plat thereof.
- (c) “Developer” shall mean and refer to Smalygo Properties, Inc., an Oklahoma corporations, its successors and assigns, as more particularly defined in the Association’s Certificate of Incorporation;
- (d) “Lot” shall mean and refer to any plot of land shown upon any recorded subdivision map either by number or letter of Cobblestone Trails with the exception of the Common Area;
- (e) “Member” shall mean and refer to those persons or entities who are Owners of any Lot or building site which is a part of Cobblestone Trails;
- (f) “Members in Good Standing” shall mean any Lot Owner or maximum of two Owners of a given Lot in Cobblestone Trails who is an assessed Member/Members as per Article VI, who has no delinquent assessment fees, interest, or other fees as defined in Article VI of these Bylaws;
- (g) “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or building site which is a

part of Cobblestone Trails, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation;

## ***ARTICLE II*** ***MEMBERS***

**Section 2.01. Class of Members.** The Association shall have two (2) classes of Members, to-wit:

Class A - Except for the Class B Member, an Owner of a Lot subject to assessments by the Association pursuant to Covenants of record shall be a Class A Member.

Class B – the Developer shall be the Class B Member.

The Class A Member(s) and the Class B Member are collectively referred to herein as the “Members”.

**Section 2.02. Qualification of Members.** A person or entity on becoming an Owner of a Lot within Cobblestone Trails, or such other property designated by the Developer, shall automatically become a Class A Member of the Association and shall be subject to the Declaration, Certificate and these Bylaws. Membership in the Association shall be appurtenant to and shall not be separated from Lot ownership.

**Section 2.03. Voting Rights.** Each Class A Member shall be entitled to one (1) vote per Lot ownership upon each matter submitted to a vote of Members; provided, however, multiple Owners of a single Lot shall not be entitled to more than one (1) vote per Lot, regardless of the number of Owners of such Lot. In the event two (2) or more Lots are consolidated by a lot tie or similar agreement for the purpose of constructing a single family residence thereon, the voting rights of the Owner(s) of such Lots shall be determined according to the number of original Lots contained in such consolidated Lot. Any Member in default in the payment of any assessment or the performance of any obligation imposed by the provisions of the Declaration shall not be entitled to vote at any meeting of the Association for as long as such default remains uncured. The Class B Member shall be entitled to five hundred (500) votes until such time as the Class B membership is converted to Class A membership pursuant to the Association’s Certificate of Incorporation, at which time the Class B Member shall become a Class A Member and subject to the terms and provisions relating to Class A Members, except as otherwise provided in the Certificate and these Bylaws including (without limitation) exception from the provisions of Section 6.02 hereof.

**Section 2.04. Manner of Acting.** A majority of the votes entitled to be cast on a matter to be voted upon by the Members present or represented by proxy at a meeting at which a quorum is present shall be necessary for the adoption thereof unless a greater proportion is required by law or by these Bylaws.

**Section 2.05. Annual Meeting.** The annual meeting of the Members shall be held on the day and at such time as may be fixed by the Board of Directors, for the purpose of electing Directors and for the transaction of any business that may come before the meeting. If the day fixed for the

annual meeting is a legal holiday in the State of Oklahoma, the meeting will be held on the next succeeding business day. If the election of Directors is not held on the day designated for any annual meeting of the Members or at any adjournment of such meeting, the Board of Directors shall call for the election to be held at a special meeting of the Members as soon thereafter as possible.

**Section 2.06. Special Meetings.** Special meetings of the Members, for any purpose, may be called by the Board of Directors, the President or by not less than one-fourth (1/4<sup>th</sup>) of the Members entitled to vote at such meetings.

**Section 2.07. Meeting Place.** The Board of Directors may designate any place within or without the State of Oklahoma as the meeting place of any annual meeting or special meeting called by the Board of Directors. A waiver of notice signed by all Members entitled to vote at a meeting may designate any place, within or without the State of Oklahoma, as the place for the meeting described in the waiver. If no designation is made by either the Board or such Members, the meeting shall be held at the principal office of the Association; provided, however, if all Members meet at any time or place, either within or without the State of Oklahoma, and consent in writing to the holding of a meeting, such meeting shall be valid without call or notice, and any Corporate action may be taken at such meeting. Members' consents to the holding of such meeting shall be filed with the Secretary of the Association.

**Section 2.08. Notice of Meeting.** Whenever Members are required or permitted to take any action at any meeting, a written notice of such meeting will be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, to each Member of record entitled to vote at the meeting. The notice of any Member meeting shall state the place, date and hour of the meeting and (a) in the case of a special meeting, the general nature and purpose of the business to be transacted; and (b) in the case of an annual meeting, the names of the nominees, if any, of the Board of Directors and any business the Board, at the time of delivering notice, intends to present to the Members for action; provided, however, that any other proper matter may be presented at a Member meeting for action notwithstanding such matter was not listed in the notice.

**Section 2.09. Closing of Membership Book or Fixing of Record Date.** To determine which Members are entitled to (a) receive notice of any meeting, (b) vote at any meeting, or (c) to identify Members for any other proper purpose, the Board of Directors may close the membership book for a stated period not less than ten (10) days nor more than sixty (60) days immediately before the meeting. In lieu of closing the membership book, the Board of Directors may fix in advance a date as the record date for any identification of Members, the date to be not more than sixty (60) days and, in the case of a meeting of Members, not less than ten (10) days before the date on which the particular action is to be taken. If the membership book is not closed and no record date is fixed, the day next preceding the date on which notice of the meeting is mailed will be the record date for determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this section 2.09, the determination will apply to any adjournment of the meeting.

**Section 2.10. Voting Record.** At least ten (10) days before every meeting of the Members, the officer or agent in charge of the membership book of the Association shall make a complete record of the Members entitled to vote at each meeting of Members, or any adjournment of the meeting, arranged in alphabetical order, with each Member's address appearing thereunder. These records shall be produced and kept open to the examination of the Members, for any purpose germane to the meeting, at least ten (10) days prior to the meeting at the place specified in the notice, and at the time and place of the meeting and will be subject to the inspection of any Member during the entire time of the meeting.

**Section 2.11. Quorum.** Members holding one-half (1/2) of the votes entitled to be cast at a meeting, represented in person or by proxy, will constitute a quorum at such meeting of Members. If there is less than one-half (1/2) of voting Members represented at a meeting, one-half (1/2) of voting Members represented may adjourn the meeting without further notice. At an adjourned meeting where a quorum is present, any business may be transacted that might have been transacted at the original meeting.

**Section 2.12. Proxies.** At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by that Member's attorney-in-fact. A proxy and, in the case of execution by a Member's attorney-in-fact, the Member's power of attorney must be filed with the Secretary of the Association before or at the time of the meeting and before the vote is taken. Any proxy duly executed is not revoked and continues in full force and effect until, (a) an instrument revoking it or a duly executed proxy bearing a later date is filed with the Secretary of the Association before the vote pursuant thereto is counted, (b) the person executing the proxy attends the meeting and votes in person, or (c) written notice of the death or incapacity of the maker of such proxy is received by the Association before the vote pursuant thereto is counted; provided that no proxy shall be valid after eleven months from the date of its execution, unless the proxy provides otherwise.

**Section 2.13. Informal Action by Members.** Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote if a written consent, setting forth the action to be taken, is signed by all of the Members entitled to vote on the action.

**Section 2.14. Adjourned Meeting and Notice Thereof.** Any Members' meeting, whether or not a quorum is present, may be adjourned from time to time and at any time by the vote of a majority of the voting Members represented either in person or by proxy, but in the absence of a quorum, no other business may be transacted at such meeting, except as provided in Section 2.11. Whenever any Members' meeting is adjourned for thirty (30) days or more, or if after adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given as provided in Section 2.08 to each Member of record entitled to vote at the meeting. Except as provided above, it shall not be necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat, other than by announcement of the time and place thereof at the meeting at which such adjournment is taken.

**Section 2.15. Validation of Defectively Called or Noticed Meetings.** The transactions of any meeting of Members, however called and noticed, shall be as valid as though they had occurred at a meeting duly held after regular call and notice if:

(a) a quorum of Members is present either in person or by proxy; and

(b) either before or after the meeting each of the Members entitled to vote, not present in person or by proxy, or who, though present, has at the beginning of the meeting, properly objected to the transaction of any business because the meeting was not lawfully called or convened, or to particular matters of business legally required to be included in the notice, but not so included, signs a written waiver or notice or 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 the corporate records or made a part of the minutes of the meeting.

**Section 2.16. Termination of Membership.** A Member's membership in the Association shall automatically cease upon the termination of such Member's ownership of his or her Lot in Cobblestone Trails.

**Section 2.17. No Resignation.** Membership in the Association by an Owner of a Lot or Lots in Cobblestone Trails is mandatory. No Member may resign his or her membership in the Association, nor shall such Member be relieved of the obligation to pay any assessments or to perform any obligations imposed by the Declaration.

**Section 2.18. No Transfer of Membership.** Membership in the Association shall not be transferable or assignable except by conveyance of a Lot in Cobblestone Trails.

### ***ARTICLE III*** ***BOARD OF DIRECTORS***

**Section 3.01. Powers.** Subject to the limitations set forth in the Corporation Act as to action required to be authorized or approved by the Members, the business and affairs of the Association shall be managed and all corporate powers shall be exercised by and under the direction of the Board of Directors.

**Section 3.02. Number, Election, Tenure and Qualifications of Directors.** The Directors of the Association shall consist of at least three (3) but not more than eleven (11) Members. Each Director shall be elected by written ballot at each annual meeting of the Members to hold office until the next annual meeting of the Members, but if any such annual meeting is not held or the Directors are not elected thereat, the Directors may be elected at any special meeting of the Members held for that purpose. All Directors shall hold office until the expiration of the term for which they were elected and until a successor has been elected and qualified. Directors need not be residents of the State of Oklahoma but must be a Member of the Association in good standing. Two or more Owners of the same Lot cannot be elected to serve on the Board of Directors simultaneously or by overlapping terms.

**Section 3.03. Removal of Directors.** Any individual Director or the entire Board may be removed from office, with or without cause, by a majority of Members then entitled to vote at an election of Directors.

**Section 3.04. Resignation of Directors.** Any Director may resign at any time by delivering written notice to the Chairman of the Board of Directors, the President or the Secretary of the Association. Once delivered, a notice of resignation is effective immediately without any action required on the part of the Association and shall be irrevocable unless revocation is permitted by the Board of Directors.

**Section 3.05. Filling Vacancies.** Except as otherwise provided in the Certificate or in these Bylaws, vacancies on the Board may be filled by a majority of the Directors then in office, whether or not less than a quorum, or by a sole remaining Director. Any vacancy authorized to be but not filled by the Directors may be filled by a majority of the Members then entitled to vote.

**Section 3.06. Regular Meetings.** A regular meeting of the Board of Directors shall be held without any notice other than this Bylaw immediately after, and at the same place as, the annual meeting of Members. The Board may fix, by resolution, the time and place, either within or without the State of Oklahoma, of additional regular meetings without any notice other than the resolution.

**Section 3.07. Special Meetings.** Special meetings of the Board of Directors may be called only with notice by or at the request of the Chairman or President or any two (2) Directors. The person(s) authorized to call special meetings of the Board may fix the time and place, either within or without the State of Oklahoma, of any special meeting of the Board called by them.

**Section 3.08. Notice of Special Meetings.** Notice of any special meeting of the Board shall be given (with or without description of its purpose) to each Director by first-class mail at his or her business address, postage prepaid, by facsimile, by e-mail, by personal delivery or by telephone at least three (3) business days in advance of the meeting. Notice by mail shall be deemed to be delivered when deposited in the U.S. mail, addressed, postage prepaid. Notice by facsimile and e-mail shall be deemed to be delivered when the notice is confirmed to have been received by the recipient. Any Director may waive notice of any meeting. The attendance of a Director at a meeting will constitute a Waiver of Notice of that meeting, unless the Director attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

**Section 3.09. Quorum.** A majority of the number of Directors authorized by these Bylaws shall constitute a quorum of the Board for the transaction of business at any meeting of the Board of Directors. If less than a majority is present at a meeting, a majority of the Directors present may adjourn the meeting without further notice.

**Section 3.10. Transaction of Board.** Except as otherwise provided in the Certificate, these Bylaws, or by law, every act done and decision made by a majority of the Directors present at a duly held meeting at which a quorum is present is the act of the Board; provided, however, that Directors

at any meeting at which a quorum was 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 such meeting.

**Section 3.11. Presumption of Assent.** A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken will be presumed to have assented to the action taken, unless his or her abstention or dissent appears in the minutes of the meeting and is filed with the Secretary or Acting Secretary of the Association before the adjournment of the meeting, or is forwarded by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. This right to abstain or dissent does not apply to a Director who voted in favor of the action.

**Section 3.12. Conduct of Meetings.** The Chairman of the Board, or if there is no such officer, the President, or in the President's absence, any Director selected by the Directors present, shall preside at meetings of the Board. The Secretary of the Association, or in the Secretary's absence, any person appointed by the presiding officer, shall act as Secretary of the Board. Members of the Board of Directors or Board Committees may participate in a meeting of the Board or Committee by means of conference telephone or similar means of communication provided all persons participating in the meeting can hear and speak with each other. Participation in a meeting pursuant to this section 3.12 shall constitute presence at such meeting.

**Section 3.13. Action Without a Meeting.** Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board individually or collectively consent in writing to such action. The action to be taken must be stated in the consent(s). Such written consent(s) must be filed with the minutes of the proceedings of the Board. Action by written consent has the same force and effect as a unanimous vote of the Directors.

**Section 3.14. Compensation.** Directors as such shall not receive any stated salaries for their services; provided, however, the Board of Directors, by resolution, may direct that each Director be reimbursed for expenses actually incurred in carrying out his or her duties as a Director of the Association.

**Section 3.15. Indemnification.** The Association has the power to indemnify any person who is or was a Director of this Association or of its predecessor, or is or was serving as such of another corporation, partnership, joint venture, trust, or other enterprise, at the request of this Association, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative, as provided by Section 1031 of the Corporation Act, as amended from time to time, and as more particularly provided in the Association's Certificate of Incorporation.

**Section 3.16. Board Committees.** The Board may, by resolution adopted by a majority of the authorized number of Directors, designate one or more committees, each consisting of one or more Directors, to serve at the pleasure of the Board. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent member at any

meeting of the committee. Any such committee, to the extent provided in the Board resolution or in these Bylaws, shall have all the authority of the Board, except with respect to those matters prohibited by Section 1027 of the Corporation Act, as amended, including (without limitation) the following prohibitions:

- (a) Declare a dividend or authorize distributions;
- (b) Approve or recommend dissolution or merger of the Association, or the sale, pledge or transfer of all or substantially all of the Association's assets;
- (c) Elect, appoint or remove Directors or officers or fill vacancies on the Board or any of its committees;
- (d) Amend the Declaration or Certificate of Incorporation;
- (e) Adopt, amend or repeal the Bylaws; and
- (f) Approve or recommend, to the Members, the sale, lease, exchange or other transfer of all or substantially all of the Association's property and assets.

**Section 3.17. Transactions with the Association.**

(a) No contract or other transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm, or association in which one or more of the Directors of this Association has a material financial interest, is either void or voidable because such Director or Directors of such other corporation, firm, or association are parties or are present at the meeting of the Board or Board committee that authorizes, approves, or ratifies the contract or transaction if:

(1) The material facts as to the contract or transaction and as to the Director's interest are fully disclosed or known to the Members entitled to vote thereon, and such contract or transaction is specifically approved by vote of the Members in good faith, with the voting rights held by the interested Director(s) not being entitled to vote thereon; or

(2) The material facts as to the contract or transaction and as to the Director's interest are fully disclosed or known to the Board or Board committee and the Board or Board committee authorizes, approves, or ratifies the contract or transaction in good faith by majority vote without counting the vote of the interested Director(s) and the contract or transaction is just and reasonable, as determined by a majority of the Board or Board committee in a writing filed with the Secretary of the Association, as to the Association at the time it is authorized, approved, or ratified; or

(3) As to contracts or transactions not approved as provided in clauses (1) and (2) of this paragraph (a), the person asserting the validity of the contract or

transaction sustains the burden of proving that the contract or transaction was just and reasonable as to the Association at the time it was authorized, approved, or ratified by the Board of Directors, Board Committee or Members.

A mere common directorship does not constitute a material financial interest within the meaning of the above provisions. Nor is a Director interested, within the meaning of the above provisions, in a resolution fixing the compensation of another Director as an officer or employee of the Association, notwithstanding the fact that the first Director is also receiving compensation (as an officer or employee) for services rendered to the Association.

(b) Interested or common Directors may be counted in determining the presence of a quorum at a meeting of the Board or Board committee that authorizes, approves, or ratifies a contract or transaction.

**Section 3.18. Informal Action by Directors.** Any action required or permitted to be taken at a meeting of the Directors may be taken without a meeting, without prior notice and without a vote if a written consent, setting forth the action to be taken, is signed by all of the Directors.

## ***ARTICLE IV OFFICERS***

**Section 4.01. Officers.** The officers of the Association shall consist of a President, a Vice-President, a Secretary, and a Treasurer, each of whom will be elected by the Board of Directors. Officers of the Association must be Members in Good Standing. The Association may have, at the discretion of the Board, a Chairman of the Board, Chief Executive Officer, Chief Operating Officer, one or more additional Vice-Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with these Bylaws. Any Vice-President, Assistant Secretary, or Assistant Treasurer, respectively, may exercise any of the powers of the President, the Secretary, or the Treasurer, respectively, as directed by the Board and shall perform such other duties as are imposed upon him or her by these Bylaws or the Board. Any two or more offices may be held by the same person, except the offices of the President and the Secretary.

**Section 4.02. Term of Office and Compensation.** The term of office and compensation (if any) of each officer shall be determined and fixed by the Board and may be altered by the Board at its pleasure.

**Section 4.03. Subordinate Officers.** The Board may appoint, and may empower the President to appoint, such other officers as the business of the Association may require, each of whom shall hold office for such period and have such authority and perform such duties as are provided in these Bylaws or as determined by the Board.

**Section 4.04. Removal and Resignation.** Any officer may be removed, with or without cause, by the Board at any regular or special meeting thereof, or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board. Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary, without prejudice, however, to any rights of the Association under any contract to which

such officer is a party. Any 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, acceptance of such resignation shall not be necessary to make it effective.

**Section 4.05. Vacancies.** A vacancy in any office of the Association because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

**Section 4.06. Indemnification.** The Association has the power to indemnify any person who is or was an officer, employee, or other agent of this Association or of its predecessor, or is or was serving as such of another corporation, partnership, joint venture, trust, or other enterprise, at the request of this Association, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any threatened, pending, or completed action or proceeding, whether civil, criminal, administrative, or investigative, as provided by Section 1031 of the Corporation Act, as amended from time to time, and as more particularly provided in the Association's Certificate of Incorporation.

**Section 4.07. Chairman of the Board.** The Chairman of the Board, if there be such an officer, shall, if present, preside at all meetings of the Board and shall exercise and perform such other powers and duties as may be assigned to him or her by the Board or prescribed by law or by these Bylaws.

**Section 4.08. President.** Subject to the control of the Board, the President shall have general powers of supervision, direction, and control of the business and officers of the Association. The President shall preside at all meetings of the Members and at all meetings of the Board in the absence of the Chairman. The President shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board or these Bylaws. The President may sign, with the Secretary or any other Officer of the Association authorized by the Board of Directors, certificates of membership as well as deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed.

**Section 4.09. Vice-President.** In the case of the absence, disability, inability or refusal to act, or death of the President, the Vice-Presidents in order of their rank as fixed by these Bylaws or by the Board, respectively, or, if not ranked, the Vice-President designated by the Board, shall perform all 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.

**Section 4.10. Secretary.** The Secretary shall record or cause to be recorded, and shall keep or cause to be kept, at the Association's principal executive office and such other place as the Board may direct, a book of minutes of action taken at all meetings of Directors and Members, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, and the proceedings thereof.

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SIGN

The Secretary shall keep, or cause to be kept, at the Association's principal executive office and such other place as the Board may direct, a membership register, or a duplicate membership register, showing the names of the Members and their addresses.

The Secretary shall give, or cause to be given, notice of all meetings of the Members and of the Board required by law, the Certificate, and these Bylaws. The Secretary shall keep the records and seal of the Association in safe custody, shall see that the Association's seal is affixed to all documents that must be executed under its seal, shall sign with the President or Vice-President certificates of membership, and shall have such other powers and perform such other duties as may be incident to the office of Secretary and as prescribed by the President, the Board of Directors, and these Bylaws.

**Section 4.11. Treasurer.** The Treasurer shall be the chief financial officer of the Association and shall keep and maintain, or cause to be kept and maintained, itemized and correct accounts of the properties, business transactions, and assets and liabilities of the Association. The Treasurer shall have charge and custody of all funds of the Association, shall receive and give receipts for moneys due and payable to the Association from any source and deposit all moneys and other valuables in the name and to the credit of the Association with such depositaries as may be designated by the Board, and shall disburse the funds of the Association as may be ordered by the Board. The books of account of the Association shall at all reasonable times be open to inspection by the President or any Director.

The Treasurer shall render to the President and Directors, whenever they request it, an account of all his or her transactions as Treasurer and of the financial condition of the Association. The Treasurer shall have such other powers and perform such other duties incident to the office of Treasurer and as prescribed by the President, the Board of Directors, and these Bylaws. If required by the Board of Directors, the Treasurer will give a bond for the faithful discharge of his or her duties in a specified sum and with the surety or sureties designated by the Board of Directors.

## ***ARTICLE V*** ***CERTIFICATES OF MEMBERSHIP***

**Section 5.01. Certificates of Membership.** The Board of Directors may provide for the issuance of certificates evidencing membership in the Association, which shall be in such form as may be determined by the Board. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor upon such terms and conditions determined by the Board of Directors.

**Section 5.02. Issuance of Certificates.** When a Member has been elected to membership and has paid any fees and dues that may then be required, a certificate of membership shall be issued in his or her name and delivered to him or her by the Secretary, if the Board of Directors shall have provided by resolution for the issuance of certificates of membership under the provisions of Section 5.01 of these Bylaws.

***ARTICLE VI***  
***OBLIGATIONS OF THE OWNER***

**Section 6.01. General.** Each Member shall comply with the Association's Declaration, Certificate of Incorporation and these Bylaws.

**Section 6.02. Assessments.** As more fully provided for in the Declaration, each Member shall be obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made; provided, however, no assessment shall be made or attach to any Lot owned by the Developer. Commencing with the year of 2000, annual assessments in the amount of \$100.00 per Lot shall be due and payable as the Board of Directors shall direct in the annual notice of assessment. The Board of Directors shall review such assessments annually and may propose increases to such assessments to the Members of the Association subject to the terms and conditions of the Declaration. The Board of Directors shall cause appropriate notice of the amount of assessment and date due thereof to be given to all Members. Any assessments which are not paid when due shall be delinquent and subject to the enforcement provisions of the Declaration. In addition, if the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Member personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Member may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common areas of Cobblestone Trails or abandonment of the Lot.

**Section 6.03. Maintenance Requirements.** It is the obligation of each Member to maintain his or her Lot and the improvements situated thereon in a neat and orderly manner and to maintain plants, shrubs, trees, grass and other landscaping in a trimmed and neat manner, all in accordance with the Declarations. In the event a Member fails to maintain his or her Lot and the improvements situated thereon, the Association acting through its agents and employees shall have the right, at the expense of such Member, to enter upon said Lot and to repair, maintain and restore the Lot and the exterior of any and all buildings and other improvements erected thereon including (without limitation) landscaping.

***ARTICLE VII***  
***CORPORATE RECORDS AND REPORTS***

**Section 7.01. Record Keeping.** The Association shall keep adequate and correct books and records of account and shall keep minutes of the proceedings of its Members, Board, and Board committees, and shall keep at its principal office a record of its Members, giving the names and addresses of all Members. All minutes, books and records must be kept in written form. Any Member and each Director and Officer shall have the absolute right to inspect the books and records of the Association at any reasonable time.

**Section 7.02. Waiver of Annual Report.** So long as the Association has less than one hundred (100) Members of record, no annual report shall be sent or required to be sent to any Member. For purposes of this Section 7.02, two or more Owners of the same Lot shall be considered as one "Member".

## ***ARTICLE VIII CONTRACTS, LOANS, CHECKS AND DEPOSITS***

**Section 8.01. Contracts.** The Board of Directors may authorize one or more officers or agents to enter into any contract or execute and deliver any instrument on behalf of the Association. This authority may be general or confined to specific transactions.

**Section 8.02. 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. This authority may be general or confined to specific transactions.

**Section 8.03. Checks and Drafts.** All checks, drafts or other orders for the payment of money, notes, or other evidence of indebtedness issued in the Association's name shall be signed by the officers or agents, or both, of the Association in the manner authorized by resolution of the Board of Directors.

**Section 8.04. Deposits.** All funds of the Association not otherwise employed shall be deposited in the name and to the credit of the Association with such depositories as may be designated by the Board of Directors.

## ***ARTICLE IX MISCELLANEOUS***

**Section 9.01. Fiscal Year.** The fiscal year of the Association shall be determined by the Board of Directors.

**Section 9.02. Seal.** The Board of Directors shall provide a corporate seal, which shall be in the form recognized by the laws of Oklahoma and shall have inscribed thereon the name of the Association and the words "Corporate Seal."

**Section 9.03. Waiver of Notice.** Whenever any notice must be given to any Member or Director of the Association under the provisions of these Bylaws or under the provisions of the Certificate of Incorporation or under the laws of the State of Oklahoma, a Waiver of Notice signed by the person or persons entitled to the notice and filed with the Secretary of the Association, whether before or after the time set out in the notice, is equivalent to the giving of notice. Attendance of a Member or Director, or a Member's representative, at a meeting shall constitute a waiver of notice of such meeting, except when such person attends the meeting for the express

purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not called or convened as provided for by law or by these Bylaws.

**Section 9.04. Adoption, Amendment, or Repeal of Bylaws by Directors.** Subject to any restrictions imposed by the Declaration or the Certificate, these Bylaws may, from time to time and at any time, be amended or repealed, and new or additional bylaws adopted, by approval of the Board; provided, however, that such bylaws may not contain any provision in conflict with law, the Declaration, or with the Certificate of Incorporation and, provided further, that any bylaws changing the number of Directors or changing to a fixed Board may be adopted only by approval of a majority of the Members.


**Section 9.05. Reimbursement of Developer's Expenses.** To the extent that the Developer has incurred expenses in connection with the operation and management of Cobblestone Trails since its inception, and to the extent that these expenses exceed the assessed amount of Fifty Dollars (\$50.00) per Lot owned by Developer, the Association shall reimburse Developer such excess expenses from proceeds of the annual assessments to the extent that such funds are available. In the event that annual assessments are not sufficient to reimburse Developer for all such expenses, proceeds from the collection of subsequent annual assessments shall be paid to Developer until such time as the entire amount of said expenses is paid in full.

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***CERTIFICATE OF SECRETARY***

I, Lindsey Schlomann, upon oath due solemnly affirm that I am the duly elected and acting Secretary of the Cobblestone Trails, Inc. Homeowners' Association, an Oklahoma not-for-profit corporation, and that the foregoing Bylaws, comprising of sixteen (16) pages, constitute the Bylaws of said Association as duly adopted as of the 18<sup>th</sup> day of April, 2002.

***IN WITNESS WHEREOF***, I have hereunto subscribed my name and affixed the seal of said Association this 19<sup>th</sup> day of April, 2002.

  
\_\_\_\_\_  
Lindsey Schlomann, Secretary

(Seal)

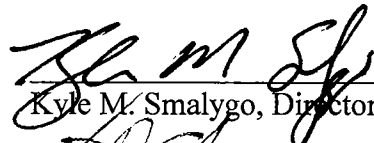
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**NOTICE OF SPECIAL MEETING  
OF THE MEMBERS  
OF  
COBBLESTONE TRAILS, INC. HOMEOWNERS ASSOCIATION  
AN OKLAHOMA NOT-FOR-PROFIT CORPORATION**

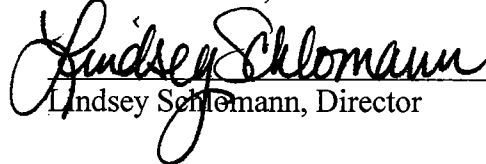
THE UNDERSIGNED, being all of the Directors of COBBLESTONE TRAILS, INC. HOMEOWNERS ASSOCIATION, an Oklahoma not-for-profit corporation, do hereby call a special meeting of the Members of the Corporation, to be held at \_\_\_\_\_ in Collinsville, Oklahoma at \_\_\_\_\_ P.M. on the \_\_\_\_\_ day of \_\_\_\_\_, 2002.

The meeting is for the purpose of electing three (3) new directors of the Corporation, and doing all of the things necessary or desirable in connection with the transaction of any business pertaining to the affairs of the Corporation at this meeting.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

  
\_\_\_\_\_  
Kyle M. Smalygo, Director

  
\_\_\_\_\_  
Brett Schломann, Director

  
\_\_\_\_\_  
Lindsey Schломann, Director

## **ASSIGNMENT AND ASSUMPTION AGREEMENT**

### **COBBLESTONE TRAILS**

WHEREAS, Smalygo Properties, Inc, an Oklahoma corporation, was the developer (“Developer”) of that residential subdivision known as Cobblestone Trails (“Subdivision”), legally described as follows, to-wit:

Cobblestone Trails, an Addition in the City of Collinsville, Tulsa County, State of Oklahoma, according to the recorded Plat thereof.

WHEREAS, Cobblestone Trails, Inc., Homeowners Association (“Association”) was formed for the purpose of collecting homeowner’s assessments and insuring that the properties within the Subdivision are constructed and maintained in accordance with the Declaration (defined below).

WHEREAS, Developer has certain rights and responsibilities pursuant to the Deed of Dedication and Restrictive Covenants dated July 25, 2000 (the “Declaration”), and recorded on August 16, 2000, as part of Plat No. 5462, in the Office of the Tulsa County Clerk.

WHEREAS, the lots within the Subdivision have been fully developed to the complete satisfaction of the Association, and the Association has unconditionally waived, and by these presents does waive, any and all claims the Association may have against the Developer in relation thereto.

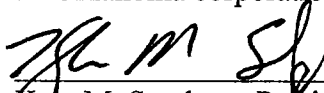
WHEREAS, the Association agrees to keep, observe and perform all of the covenants, conditions, restrictions and terms of the Declaration.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00), and other good and valuable consideration paid by the Association to Developer, and in consideration of these premises and the mutual agreements herein set forth, the receipt and sufficiency of which are hereby acknowledged, Developer does by these presents GRANT, BARGAIN, ASSIGN, TRANSFER, CONVEY AND SETOVER unto the Association all right, title and interest of the Developer in and to the Park, Detention Area and other common areas of the Subdivision (collectively, the “Common Areas”) as identified on the recorded plat, and in the Declaration, of Cobblestone Trails, an Addition in the City of Collinsville, Tulsa County, State of Oklahoma, and the Association does by these presents accept the Common Areas as is in their current condition without warranty or representation, and the Association assumes all obligations, duties and responsibilities of the Developer under the Declaration. The Association further covenants and agrees to indemnify and hold the Developer harmless from and against any and all claims, demands, liabilities, losses, costs and expenses arising from or relating to the obligations, duties and responsibilities of the Developer under the Declaration from and after the date hereof.

IN WITNESS WHEREOF, the undersigned have duly executed this Assignment and Assumption Agreement effective the \_\_\_\_\_ day of \_\_\_\_\_, 2002.

“DEVELOPER”

Smalygo Properties, Inc.,  
an Oklahoma corporation

  
\_\_\_\_\_  
Kyle M. Smalygo, President

“ASSOCIATION”

Cobblestone Trails, Inc. Homeowners Association,  
an Oklahoma not-for-profit corporation

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: President

AGREED, ACCEPTED, RATIFIED AND APPROVED AS THE ACTS OF THE ASSOCIATION this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**WRITTEN CONSENT OF THE  
BOARD OF DIRECTORS  
IN LIEU OF SPECIAL MEETING OF  
COBBLESTONE TRAILS, INC. HOMEOWNERS ASSOCIATION**

WHEREAS, pursuant to the authority contained in the Deed of Dedication and Restrictive Covenants dated July 25, 2000, (the "Declaration"), for Cobblestone Trails, an Addition in the City of Collinsville, Tulsa County, State of Oklahoma, according to the recorded Plat thereof (hereinafter "Cobblestone Trails"), and pursuant to the provisions of 60 O.S. Section 851 et seq., and the Oklahoma General Corporation Act, and pursuant to the authority contained in the Association's Bylaws, the undersigned, being all of the members of the Board of Directors, do hereby adopt the following resolutions with the same force and effect as though adopted at a special meeting of said Board duly called, noticed and held:

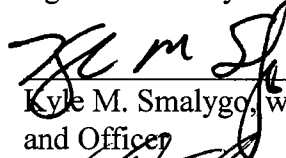
RESOLVED, that the Association accepts the conveyance of the Park, Detention Area and other common areas of Cobblestone Trails as defined in the Declaration and the Association's Bylaws (collectively, the "Common Areas"), from Smalygo Properties, Inc. ("Developer"), effective \_\_\_\_\_, 2002, and hereby ratifies and confirms that such Common Areas are fully developed to the complete satisfaction of the Association and that the Association hereby waives any and all claims the Association may have against the Developer in relation thereto.

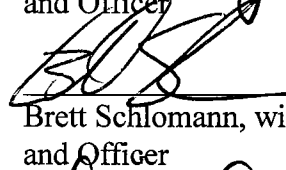
FURTHER RESOLVED, that the Association assumes all obligations, duties and responsibilities of the Developer under the Declaration.

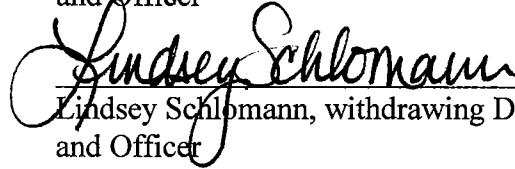
FURTHER RESOLVED, that the Association agrees to indemnify and hold the Developer harmless from and against any and all claims, demands, liabilities, losses, costs and expenses arising from or relating to the obligations, duties and responsibilities of the Developer under the Declaration from and after the date hereof.

FURTHER RESOLVED, that the Association accepts the resignation of Kyle M. Smalygo, Brett Schlomann and Lindsey Schlomann as Directors, Officers and Architectural Review Committee of the Association effective \_\_\_\_\_, 2002.

IN WITNESS WHEREOF, the undersigned have duly executed this Consent effective the \_\_\_\_\_ day of \_\_\_\_\_, 2002.

  
\_\_\_\_\_  
Kyle M. Smalygo, withdrawing Director  
and Officer

  
\_\_\_\_\_  
Brett Schlomann, withdrawing Director  
and Officer

  
\_\_\_\_\_  
Lindsey Schlomann, withdrawing Director  
and Officer

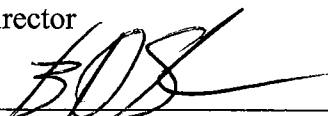
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AGREED, ACCEPTED, RATIFIED AND APPROVED AS THE ACTS OF THE ASSOCIATION this \_\_\_\_ day of \_\_\_\_\_, 2002.

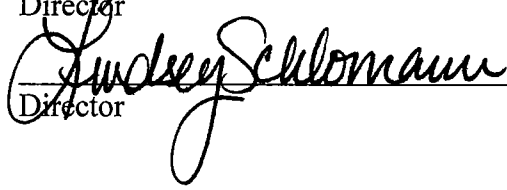
Director

Director

Director



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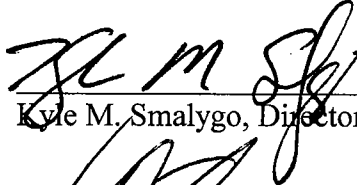
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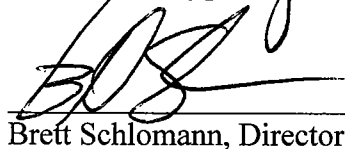
**CALL AND WAIVER OF NOTICE OF  
INITIAL MEETING OF THE BOARD OF DIRECTORS  
OF  
COBBLESTONE TRAILS, INC. HOMEOWNERS' ASSOCIATION  
AN OKLAHOMA CORPORATION**

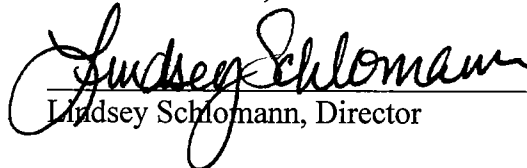
THE UNDERSIGNED, being all of the Directors of COBBLESTONE TRAILS, INC. HOMEOWNERS' ASSOCIATION an Oklahoma Corporation, do hereby call the initial meeting of the Directors of the Corporation, to be held at the offices of the Corporation in Collinsville, Oklahoma, at 10:00 A.M. on the 19<sup>th</sup> day of April, 2002.

The meeting is for the purpose of ratifying the actions of the Incorporator of the Corporation, as reflected in the Instrument of Organization dated April 18, 2002, and doing all of the things necessary or desirable in connection with the organization of the Corporation, and the undersigned hereby waive notice, and consent to the transaction of any business pertaining to the affairs of the Corporation on this meeting.

DATED this 19<sup>th</sup> day of April, 2002.

  
\_\_\_\_\_  
Kyle M. Smalygo, Director

  
\_\_\_\_\_  
Brett Schlomann, Director

  
\_\_\_\_\_  
Lindsey Schlomann, Director

**MINUTES OF THE INITIAL MEETING  
OF THE DIRECTORS  
OF  
COBBLESTONE TRAILS, INC. HOMEOWNERS' ASSOCIATION  
AN OKLAHOMA NOT-FOR-PROFIT CORPORATION**

The initial meeting of the Board of Directors of COBBLESTONE TRAILS, INC. HOMEOWNERS' ASSOCIATION, an Oklahoma Not-For-Profit Corporation, was held at the offices of the Corporation in Owasso, Oklahoma, at 9:00 A.M. on the 19<sup>th</sup> day of April, 2002, pursuant to a written Call and Waiver of Notice signed by the Directors of the Corporation. Kyle M. Smalygo, Brett Schломann and Lindsey Schломann, being all of the Directors were present and Kyle M. Smalygo acted as Chairman and Lindsey Schломann acted as Secretary of the meeting.

The Chairman presented the Certificate of Incorporation and stated that the Certificate had been filed with the Secretary of State on April 18, 2002.

Next, the Chairman presented the Instrument of Organization dated April 18, 2002, signed by the Incorporators of the Corporation. After reviewing the Instrument of Organization and the matters reflected or referred to therein, including, but not limited to, the adoption of By-Laws, upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the actions of the Incorporators, including, but not limited to, the adoption of the set of By-Laws attached to the Instrument of Organization dated April 18, 2002, are hereby ratified, confirmed, approved and adopted.

FURTHER RESOLVED, that, as evidence of the ratification and approval by the Directors of the By-Laws, the By-Laws shall be signed by the Directors of the Corporation and thereupon shall be made a part of the permanent records of the Corporation.

The Chairman then presented the proposed corporate seal for the Corporation for examination by the Directors, whereupon, following such examination, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the seal provided for in the By-Laws is hereby approved and adopted, and that the seal is to be affixed to these minutes, which shall be made a part of the permanent records of the Corporation.

Proceeding next to the matter of choosing corporate officers, the Chairman advised the Directors that the Corporation should have, at a minimum, a President and a Secretary, along with any other officers the Directors felt were necessary or appropriate. After considering the candidates for office, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the following persons shall serve as officers of the Corporation in the offices set opposite their respective names, until their successors are elected and qualify or

until their earlier resignation or removal:

**NAME**

**OFFICE**

Kyle M. Smalygo

President

Brett Schlomann

Vice-President

Lindsey Schlomann

Secretary

In order to illustrate the scope of authority given to the President of the Corporation, consistent with the language contained in the By-Laws, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the President of this Corporation is authorized to enter into such contracts or agreements as the President, acting alone, shall deem advisable pertaining to the business of the Corporation, including, but not limited to, agreements relating to purchases and sales of merchandise or other assets to be used in the business, the borrowing of money, leases or other obligations.

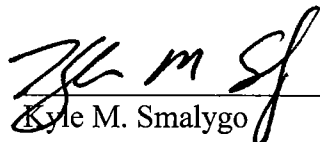
Thereafter, the Chairman presented a form of bank resolution relating to the establishment by the Corporation of a bank account and the authority of the officers and employees of the Corporation to borrow money on its behalf. After reviewing the form, upon motion duly made and seconded, the following resolution was unanimously adopted:

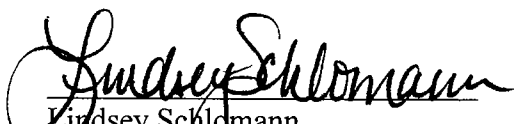
RESOLVED, that the form of bank resolution authorizing the establishment and maintenance of an account for this Corporation and the borrowing of money from time to time is hereby adopted. A copy of the form of bank resolution is to be attached hereto and made a part of the permanent records of the Corporation, and an additional copy is directed to be furnished to the Bank.

Finally, the Chairman noted that the By-Laws of the Corporation empower the Directors to fix the fiscal year of the Corporation and, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the fiscal year of the Corporation shall end on December 31<sup>st</sup> of each year.

There being no further business to come before this meeting, the same, upon motion duly made and seconded, was adjourned.

  
\_\_\_\_\_  
Kyle M. Smalygo  
Chairman of the Meeting

  
\_\_\_\_\_  
Lindsey Schlomann  
Secretary of the Meeting

INSTRUMENT OF ORGANIZATION  
OF  
COBBLESTONE TRAILS, INC. HOMEOWNERS' ASSOCIATION  
an Oklahoma not-for-profit corporation

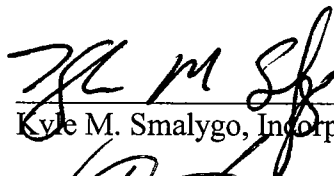
The undersigned, being the Incorporators of COBBLESTONE TRAILS, INC. HOMEOWNERS' ASSOCIATION, an Oklahoma not-for-profit corporation, which was incorporated on April 18, 2000, hereby take the following actions for the purposes of adopting By-Laws, electing Directors to serve or hold office until the first annual meeting of the Members or until the successor of such Director is elected and does qualify, and doing all other or further acts to perfect the organization of the Corporation:

- (1) The By-Laws of the Corporation, a copy of which is appended to this Instrument of Organization, are hereby adopted as the By-Laws of the Corporation, until such By-Laws are amended or repealed by the Board of Directors or by the Shareholders.
  
- (2) The following persons are elected as the Directors of the Corporation to serve until the first annual meeting of the Members of the Corporation or until the successor of such Director shall be elected and shall qualify:

Kyle M. Smalygo  
Brett Schlomann  
Lindsey Schlomann

Effective April 18, 2002, Kyle M. Smalygo and Lindsey Schlomann hereby resigns as Incorporators for COBBLESTONE TRAILS, INC. HOMEOWNERS' ASSOCIATION

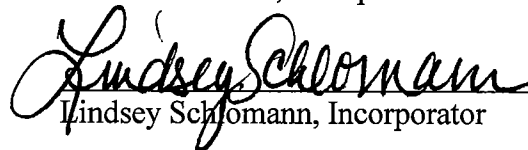
DATED this 18<sup>th</sup> day of April, 2002.



\_\_\_\_\_  
Kyle M. Smalygo, Incorporator



\_\_\_\_\_  
Brett Schlomann, Incorporator



\_\_\_\_\_  
Lindsey Schlomann, Incorporator