

**Application for Employer Identification Number**

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)  
 ▶ See separate instructions for each line. ▶ Keep a copy for your records.

EIN \_\_\_\_\_  
 OMB No. 1545-0003

Form 1120-10

2

01-0748118

Type or print clearly.	1 Legal name of entity (or individual) for whom the EIN is being requested <u>Cobblestone Trails, Inc. Homeowners' Association</u>	
	2 Trade name of business (if different from name on line 1)	3 Executor, trustee, "care of" name
	4a Mailing address (room, apt., suite no. and street, or P.O. Box) <u>P.O. Box 91</u>	5a Street address (if different) (Do not enter a P.O. box.)
	4b City, state and ZIP code <u>Collinsville, OK 74021</u>	5b City, state, and ZIP code
	6 County and state where principal business is located <u>Tulsa county, Oklahoma</u>	
	7a Name of principal officer, general partner, grantor, owner, or trustor <u>Kyle M. Smalygo, President</u>	7b SSN, ITIN, or EIN <u>442-74-4901</u>

8a Type of entity (check only one box)

<input type="checkbox"/> Sole proprietor (SSN)	<input type="checkbox"/> Estate (SSN of decedent)
<input type="checkbox"/> Partnership	<input type="checkbox"/> Plan administrator (SSN)
<input type="checkbox"/> Corporation (enter form number to be filed) ▶	<input type="checkbox"/> Trust (SSN of grantor)
<input type="checkbox"/> Personal service corp.	<input type="checkbox"/> National Guard <input type="checkbox"/> State/local government
<input type="checkbox"/> Church or church-controlled organization	<input type="checkbox"/> Farmers' cooperative <input type="checkbox"/> Federal government/military
<input checked="" type="checkbox"/> Other nonprofit organization (specify) ▶ <u>Homeowners Assoc.</u>	<input type="checkbox"/> REMIC <input type="checkbox"/> Indian tribal governments/enterprises
<input type="checkbox"/> Other (specify) ▶	Group Exemption Number (GEN) ▶

8b If a corporation, name the state or foreign country (if applicable) where incorporated

State <u>Oklahoma</u>	Foreign country
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9 Reason for applying (check only one box)

<input checked="" type="checkbox"/> Started new business (specify type) ▶ <u>Homeowners Assoc.</u>	<input type="checkbox"/> Banking purpose (specify purpose) ▶
<input type="checkbox"/> Hired employees (Check the box and see line 12.)	<input type="checkbox"/> Changed type of organization (specify new type) ▶
<input type="checkbox"/> Compliance with IRS withholding regulations	<input type="checkbox"/> Purchased going business
<input type="checkbox"/> Other (specify) ▶	<input type="checkbox"/> Created a trust (specify type) ▶
	<input type="checkbox"/> Created a pension plan (specify type) ▶

10 Date business started or acquired (month, day, year)  
April 18, 2002

11 Closing month of accounting year  
December

12 First date wages or annuities were paid or will be paid (month, day, year). Note: If applicant is a withholding agent, enter date income will first be paid to nonresident alien. (month, day, year) ..... ▶ N/A

13 Highest number of employees expected in the next 12 months. Note: If the applicant does not expect to have employees during the period, enter "-0-".

Agricultural	Household	Other
0	0	0

14 Check one box that best describes the principal activity of your business.

<input type="checkbox"/> Construction	<input type="checkbox"/> Rental & leasing	<input type="checkbox"/> Transportation & warehousing	<input type="checkbox"/> Health care & social assistance	<input type="checkbox"/> Wholesale - agent/broker
<input checked="" type="checkbox"/> Real estate	<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Finance & insurance	<input type="checkbox"/> Accommodation & food service	<input type="checkbox"/> Wholesale - other
			<input checked="" type="checkbox"/> Other (specify) <u>Homeowners Association</u>	<input type="checkbox"/> Retail

15 Indicate principal line of merchandise sold; specific construction work done; products produced; or services provided.  
N/A

16a Has the applicant ever applied for an employer identification number for this or any other business? .....  Yes  No  
 Note: If "yes," please complete lines 16b and 16c.

16b If you checked "Yes" on line 16a, give applicant's legal name and trade name shown on prior application if different from line 1 or 2 above.

Legal name ▶	Trade name ▶
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16c Approximate date when, and city and state where, the application was filed. Enter previous employer identification number if known.

Approximate date when filed (mo., day, year)	City and state where filed	Previous EIN
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Third Party Designee

Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.
Designee's name
Designee's telephone number (include area code)
Address and ZIP code
Designee's fax number (include area code)

Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.

Name and title (type or print clearly) ▶ Kyle M. Smalygo, President

Signature ▶ [Signature] Date ▶ 5-16-02

Applicant's telephone number (include area code)  
(918) 371-3183

Applicant's fax number (include area code)  
(918) 272-5376

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*

APR 18 2002

OKLAHOMA SECRETARY  
OF STATE



SOS

CERTIFICATE OF INCORPORATION



5660002

COBBLESTONE TRAILS, INC. HOMEOWNERS' ASSOCIATION  
(Not for Profit)

TO THE SECRETARY OF STATE OF THE STATE OF OKLAHOMA:

We, the undersigned incorporators:

120053  
2500

<u>Name</u>	<u>Address</u>
Kyle M. Smalygo	Post Office Box 91 Collinsville, Oklahoma 74021
Brett Schломann	14346 North 108 <sup>th</sup> East Avenue Collinsville, Oklahoma 74021
Lindsey Schломann	14346 North 108 <sup>th</sup> East Avenue Collinsville, Oklahoma 74021

do hereby associate ourselves for the purpose of forming a not-for-profit corporation pursuant to the provisions of the Oklahoma General Corporation Act.

ARTICLE I

The name of the corporation is COBBLESTONE TRAILS, INC. HOMEOWNERS' ASSOCIATION, hereinafter referred to as the "Association".

ARTICLE II

The address of the registered office of the Association and the name of the registered agent at such address are:

E. Robert Buss	202 South Cedar, Suite A Owasso, Oklahoma 74055
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ARTICLE III

Purpose and Powers of the Association

This Association is formed for purposes not involving pecuniary gain or profit, incidentally or otherwise, to the members thereof, and shall have no capital stock. The purposes for which the Association is formed are to enhance and protect the value, desirability and attractiveness of the real property described as follows:

All of COBBLESTONE TRAILS, an addition in Tulsa County, State of Oklahoma, according to the recorded plat thereof (hereinafter referred to as "COBBLESTONE TRAILS")

and to promote the health, safety and welfare of the residents, owners and tenants of lots within COBBLESTONE TRAILS, and any additional property as may hereafter be annexed to the jurisdiction of this Association, and for these purposes, to:

- a) own, acquire, build, operate and maintain landscaping, walls, fences, entryways, signs and common areas, facilities and structures of any and all kinds for the use and benefit of the members of the Association;
- b) exercise such powers pertaining to COBBLESTONE TRAILS, including architectural plan review, as may from time to time be vested in or granted to the Association;
- c) fix, levy, collect and enforce payment by any lawful means, all charges or assessments made for acquisition, construction, maintenance and operation of common facilities, to pay all expenses in connection therewith, and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;
- d) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- e) borrow money, and with the assent of two-thirds (2/3) of each class of members, to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred; and
- f) have and to exercise any and all powers, rights and privileges which a corporation organized under the Oklahoma General Corporation Act by law now or hereafter have or exercise.

#### ARTICLE IV

##### Membership

Every person or entity who is or hereafter becomes a record owner of any lot in COBBLESTONE TRAILS or in any additional property as may hereafter be annexed to the jurisdiction of the Association, which is subject by covenant of record to assessment by the Association, including contract sellers, shall be a member of the Association; provided, however, the foregoing is not intended to include persons or

entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of the lot which is subject to assessment by the Association. Ownership of a lot which is subject to assessment by the Association shall be the sole qualification for membership.

## ARTICLE V

### Voting Rights

The Association shall have two classes of voting membership:

Class A. Class A members shall be all the owners of lots subject by covenant of record to assessment by the Association, with the exception of the Class B member defined below. Class A members shall be entitled to one vote for each lot owned. When more than one person holds an ownership interest in any one lot, all such persons shall be members, but shall have jointly only one vote for the lot, and that vote shall be exercised as they among themselves determine.

Class B. Class B member shall be the "Declarant" as hereinafter defined. The term "Declarant" means and refers to Smalygo Properties, Inc., an Oklahoma corporation, and its successors and assigns, if such successors or assigns should acquire all of the lots within COBBLESTONE TRAILS and any subdivision annexed to the jurisdiction of the Association then owned by Smalygo Properties, Inc., and all of the Adjacent Property (hereinafter defined) then owned by Smalygo Properties, Inc., unless all of the Adjacent Property has been platted and annexed to the jurisdiction of the Association and the number of lots acquired by such successors or assigns does not exceed ten (10) in number. The Class B member shall be entitled to five hundred (500) votes. The Class B membership shall cease and be converted to Class A membership on the earlier of:

- a) the date on which all of the Adjacent Property has been platted and annexed to the jurisdiction of the Association and seventy-five percent (75%) of the lots in each subdivision (as opposed to 75% of the aggregate number of lots in all subdivisions) so platted and annexed have been sold by Declarant;
- b) May 1, 2012; or
- c) Such date as Declarant executes and records with the County Clerk of Tulsa County, Oklahoma, a notice that Declarant has elected to convert the Class B membership to Class A membership

ARTICLE VI

Board of Directors

The affairs of this Association shall be managed by a Board of Directors consisting of not less than three (3) nor more than eleven (11) Directors who need not be members of the Association. The names and addresses of the initial Directors are:

Kyle M. Smalygo

Post Office Box 91  
Collinsville, Oklahoma 74021

Brett Schломann

14346 North 108<sup>th</sup> East Avenue  
Collinsville, Oklahoma 74021

Lindsey Schломann

14346 North 108<sup>th</sup> East Avenue  
Collinsville, Oklahoma 74021

who shall serve as Directors until the first annual meeting of the membership, or until their successors are elected. Five (5) Directors shall be elected at the first annual meeting of the membership. Subsequent changes in the number of required Directors shall be made by amendment to the Bylaws of the Association.

ARTICLE VII

Non-Liability of Directors

To encourage participation of members or other persons as Directors of the Association, limitation of personal liability shall be established to the extent permitted by the Oklahoma General Corporation Act (18 O.S.A. §1001) as it now exists or may be later amended, and limitations of liability shall be deemed to include the following:

- a) No Director shall have personal liability to the Association or its members for monetary damages for breach of fiduciary duty as a Director, provided the foregoing shall not limit liability:
  - i) for any breach of the Director's duty of loyalty to the Association or its members;
  - ii) for acts or omissions not in good faith or which involve intentional misconduct or a known violation of law; or
  - iii) for any transaction for which the Director derived an improper personal benefit.

b) No Director shall have personal liability for monetary damages resulting from:

- i) any negligent act or omission of an employee of the Association; or
- ii) any negligent act or omission of another Director; or
- iii) any act or omission made or deferred in good faith.

#### ARTICLE VIII

##### Bylaws

The Board of Directors shall have the power to adopt, amend or repeal the Bylaws of the Association; provided, however, nothing herein shall divest the membership of the residual power to adopt, amend or repeal said Bylaws.

#### ARTICLE IX

##### Mergers and Consolidations

To the extent permitted by law, the Association may participate in mergers and consolidations with other nonprofit corporations organized for similar purposes; provided, however, such merger or consolidation shall require the assent of two-third (2/3) of each class of members.

#### ARTICLE X

##### ANNEXATION OF ADDITIONAL PROPERTIES

- a) Annexation by the Declarant. The following described real property (the "Adjacent Property"), to-wit:

may, in whole or in part, be annexed to the geographic jurisdiction of the Association by the Declarant without approval of the Association or its member; provided, however, that the property to be annexed is developed for residential purposes.

- b) Annexation by the Association. Annexation by the Association other than by the Declarant under Paragraph (a) above, shall require the assent of two-thirds (2/3) of each class of members.

#### ARTICLE XI

##### Authority to Dedicate

The Association shall have the power to dedicate, sell or transfer all or any part of its lands or any easement which it holds to any public agency, authority or utility; provided, however, the transfer shall require the assent of two-thirds (2/3) of each class of members.

#### ARTICLE XII

##### Dissolution

The Association may be dissolved by resolution approved by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, the assets, both real and personal, of the Association shall be dedicated to an appropriate public agency to be devoted to purposes the same as those to which they were required to be devoted by the Association. In the event such dedication is refused acceptance, the assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization devoted to the purposes and uses that would most nearly reflect the purposes and uses to which they were required to be devoted by the Association.

#### ARTICLE XIII

##### Duration

The Association shall exist perpetually.

#### ARTICLE XIV

##### Amendments

Amendment of this Certificate of Incorporation shall require the assent of the holders of three-fourths (3/4) of the eligible votes of the combined Class A and Class B membership.



IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of Oklahoma, we, the undersigned, constituting the incorporators of this Association, have executed this Certificate of Incorporation this 16<sup>th</sup> day of April, 2002.

[Signature]  
\_\_\_\_\_  
Kyle M. Smalygo

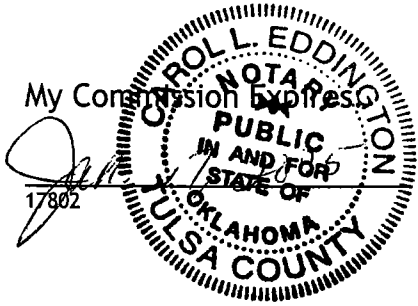
[Signature]  
\_\_\_\_\_  
Brett Schtomann

[Signature]  
\_\_\_\_\_  
Lindsey Schtomann

STATE OF OKLAHOMA     )  
  ) ss.  
COUNTY OF TULSA     )

Subscribed and sworn to before me, the undersigned authority, this 16<sup>th</sup> day of April, 2002, by Kyle M. Smalygo, Brett Schtomann, and Lindsey Schtomann.

[Signature]  
\_\_\_\_\_  
Notary Public



***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
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## *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
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- Section 3.18. Informal Action by Directors

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- 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

