

BYLAWS

BROOKHAVEN HOMEOWNERS ASSOCIATION OF EDMOND, INC.

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**BYLAWS OF BROOKHAVEN
HOMEOWNER'S ASSOCIATION OF EDMOND, INC.**

Article 1 Name, Principal Office, and Definitions

1.1 Name. The name of the corporation is BROOKHAVEN HOMEOWNERS ASSOCIATION OF EDMOND, INC. (the "Association").

1.2 Mailing Address. The mailing address of the Association shall be located at P.O. Box 30251 in Edmond, Oklahoma. The Association may have such offices, either within or outside the State of Oklahoma, as the Board of Directors may determine or as the affairs of the Association may require.

1.3 Definitions. The words used in these Bylaws shall be given their normal, commonly understood definitions. Capitalized terms shall have the same meaning as set forth in that certain recorded Restrictive Covenants of Brookhaven North as it may be amended (the "Covenant"), unless the context indicates otherwise.

Article 2 Association Membership, Meetings, Quorum, Voting, Proxies

2.1 Membership Except as is otherwise provided in the Covenants, the Articles of Incorporation or in these Bylaws, ownership of a lot in Brookhaven North Addition is required in order to qualify for membership in this Association. Any person on becoming an owner of a lot shall automatically become a member of this Association and be subject to the Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a lot, but such termination shall not relieve or release any such former owner from any liability or obligations incurred under or in any way connected with this Association, during the period of such ownership and membership or impair any rights or remedies which the owners have, either through the Board of Directors of the Association or directly, against such former owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto. The Association shall have one class of membership, Class "A".

2.2 Place of Meetings. Meetings of the Association shall be held at such a suitable place convenient to the Members as the Board may designate.

2.3 Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held at such time as in the sole discretion of the Board that sufficient Lots are owner-occupied as to warrant an Association meeting. Meetings shall be of Members and, if required by law, shall be open to all Members. Subsequent regular annual meetings shall be set by the Board to occur during the second quarter of the Association's calendar year on a date and at a time set by the Board.

2.4 Special Meetings. Subject to the Board's discretion, the President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board, upon a petition signed by Members representing at least 25% of the total Class "A" votes of the Association.

2.5 Notice of Meetings. Written, electronic or printed notice stating the place, day, and hour of any meeting of Members shall be:

- Posted at each major entrance to Brookhaven North Addition, hereby defined as the Covell Entrance and Bryant Entrance.
- Posted on the Association's website
- Or delivered, either personally or by postal mail or by electronic mail, to each Member entitled to vote at such meeting, and, if required by law, to all Members not less than 10 nor more than 60 days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or if sent by electronic transmission, as follows: (i) if by facsimile telecommunication, when directed to a number at which the member has consented to receive notice, (ii) if by electronic mail, when directed to an electronic mail address at which the member has consented to receive notice, (iii) if by a posting on an electronic network together with separate notice to the member of such posting, upon the later of (a) such posting and (b) the giving of such separate notice, and (iv) if by any other form of electronic transmission when directed to the stockholder by a form which the member has consented to receive notice.

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

If mailed, the notice of a meeting shall be deemed to be delivered three days after deposit in the United States mail addressed to the Member at such Member's address as it appears on the records of the Association, with postage prepaid. If posted, the notice of a meeting shall be deemed delivered three days after such notice is posted at each major entrance to Brookhaven North Addition.

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

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of Members who are present at such

meeting may adjourn the meeting to a time not less than five minutes nor more than 30 days from the time the original meeting was called, without notice other than announcement at the meeting. At the rescheduled meeting the members present or represented by proxy shall automatically constitute a quorum.

At the reconvened meeting, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by at least a majority of the votes required to constitute a quorum.

2.8 Voting. There shall be one vote per each lot owned. Co-owners or joint tenants may only exercise one vote. No fractional votes are allowed. A member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of members, within the meaning of these Bylaws, if, and only if, he shall have fully paid all assessments made or levied against him and the lot or lots owned by him, and is not in violation of any rule or regulation of the Association then in force. The voting rights of the Members shall be as set forth in the Covenant and in these Bylaws, and such voting rights provisions in the Covenant are specifically incorporated herein by this reference.

2.9 Proxies. On any matter as to which a Member is entitled personally to cast the vote for a Lot, such vote may be cast in person, by written ballot, or by proxy, subject to the limitations of Oklahoma law relating to use of general proxies and subject to any specific provision to the contrary in the Covenant or these Bylaws.

Every proxy shall be in writing specifying the Lot for which it is given, signed by the Member or such Member's duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Unless otherwise specifically provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast. In the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid; however, such conflicting proxies shall be counted for purposes of determining the presence of a quorum.

Every proxy shall be revocable and shall automatically cease upon: (a) conveyance of any Lot for which it was given; (b) receipt by the Secretary of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person; or (c) on the date specified in the proxy.

2.10 Majority. As used in these Bylaws, the term "majority" shall mean those votes,

Owners, or other group as the context may indicate, totaling more than 50% of the total eligible number thereof.

2.11 Quorum. The presence of Members in person or their proxy representing one tenth (1/10) of the total Class "A" votes in the Association shall constitute a quorum at all meetings of the Association except as otherwise provide in the Articles of Incorporation, the Covenants or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote thereat shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, and the members present or represented at the rescheduled meeting shall automatically constitute a quorum.

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

2.13 Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of Members may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by Members holding at least the minimum number of votes necessary to authorize such action at a meeting if all Members entitled to vote thereon were present. Such consents shall be signed within 60 days after receipt of the earliest dated consent, dated and delivered to the Association. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of Members at a meeting. Within 10 days after receiving authorization for any action by written consent, the Secretary shall give notice to all Members entitled to vote who did not give their consent, fairly summarizing the material features of the authorized action.

Article 3 Board of Directors: Number, Powers, Meetings

A. COMPOSITION AND SELECTION.

3.1 Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors ("Directors"), each of whom shall have one vote. The directors shall be Members provided, however, no Owners representing the same Lot may serve on the Board at the same time. In the case of a Member which is not a natural person, any officer, director, partner or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member; provided, no Member may have more than one such representative on the Board at a time. Directors and Officers must be Members in good standing and must have paid current their assessments at the time of election and throughout their term of office.

3.2 Number of Directors. The Board shall consist of no less than three or more than nine directors, as provided in Section 3.5 below. The initial Board shall consist of three directors as identified in the Articles of Incorporation.

3.3 Nomination and Election Procedures.

(1) **Nominations and Declarations of Candidacy.** Prior to each election of directors, the Board shall prescribe the opening date and the closing date of a reasonable filing period in which each and every eligible person who has a bona-fide interest in serving as a director may file as a candidate for any position to be filled by Class "A" votes. The Board shall also establish such other rules and regulations as it deems appropriate to conduct the nomination of directors in a fair, efficient, and cost-effective manner.

Nominations for election to the Board may also be made by a Nominating Committee. The Nominating Committee, if any, shall consist of a Chairman, who shall be a member of the Board, and three or more Members or representatives of Members. The members of the Nominating Committee shall be appointed by the Board not less than 30 days prior to each annual meeting to serve a term of one year and until their successors are appointed, and such appointment shall be announced in the notice of each election.

The Nominating Committee may make as many nominations for election to the Board as it shall, in its discretion, determine. The Nominating Committee shall nominate separate slates for the directors, if any, to be elected at large by all Class "A" votes. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity which exists within the pool of potential candidates.

Each candidate shall be given a reasonable, uniform opportunity to communicate qualifications to the Members and to solicit votes.

(2) **Election Procedures.** Each Member may cast all votes assigned to the Lots which such Member represents for each position to be filled from the slate of candidates on which such Member is entitled to vote. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.4 Election and Term of Office. At the first annual meeting, three or more directors shall be elected by Members. Two directors shall serve a term of two years, and one director shall serve a term of one year, as such directors determine among themselves. If more than three directors are elected, the number of directors elected greater than three shall serve one year terms.

Upon the expiration of the term of office of each director elected by Members, Members entitled to elect such director shall be entitled to elect a successor to serve a term of two years. The directors elected by Members shall hold office until their respective successors have been elected.

3.5 Removal of Directors and Vacancies. Any director elected by

Members may be removed, with or without cause, by the vote of Members holding a majority of the votes entitled to be cast for the election of such director. Any director whose removal is sought shall be given notice prior to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by Members entitled to elect the director so removed to fill the vacancy for the remainder of the term of such director.

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

In the event of the death, disability, resignation or termination of membership of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time Members entitled to fill such directorship may elect a successor for the remainder of the term.

B. MEETINGS.

3.6 Organizational Meetings. The first meeting of the Board following each annual meeting of the membership shall be held within 10 days thereafter at such time and place the Board shall fix.

3.7 Regular Meetings. Regular meetings of the Board may be held at such time and place a majority of the directors shall determine, but at least four such meetings shall be held during each fiscal year with at least one per quarter. Notice of the time and place of a regular meeting shall be communicated to directors not less than four days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

3.8 Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President or Vice President or by any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by: (a) personal delivery; (b) first class mail, postage prepaid; (c) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (d) facsimile, computer, fiber optics, electronic mail or such other communication device. All such notices shall be given at the director's telephone number, fax number, electronic mail number, or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least seven business days before the time set for the meeting. Notices given by personal delivery, telephone, or other device shall be delivered or transmitted at least 72 hours before the time set for the meeting.

3.9 Waiver of Notice. The transactions of any meeting of the Board, however

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

3.10 Telephonic and Electronic Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting. Participation may include voting by electronic communication as determined appropriate by the President and in accordance with Quorum rules.

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

3.12 Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by Members representing a majority of the total Class "A" votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a majority of the Board, excluding the interested director.

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

3.14 Notice to Owners; Open Meetings. Except in an emergency, notice of the time and place of Board meetings shall be posted at least 48 hours in advance of the

meeting at a conspicuous place within Brookhaven North which the Board establishes for the posting of notices relating to the Association. Notice of any meeting at which assessments are to be established shall state that fact and the nature of the assessment. Subject to the provisions of Section 3.16, all meetings of the Board shall be open to all Members and, if required by law, all Owners, but attendees other than directors may not participate in any discussion or deliberation unless permission to speak is authorized by a vote of the majority of a quorum of the Board. In such case, the President may limit the time any such individual may speak. Notwithstanding the above, the President may adjourn any meeting of the Board and reconvene in executive session, and may exclude persons other than directors, to discuss any or all of the following:

- (a) employment or personnel matters for employees of the Association;
- (b) legal advice from an attorney retained for the Board or the Association;
- (c) pending or contemplated litigation; or
- (d) pending or contemplated matters relating to enforcement of the Governing Documents.

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

C. POWERS AND DUTIES.

3.16 Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Covenant, these Bylaws, the Articles, and as provided by law. The Board may do or cause to be done all acts and things which the Covenant, Articles, these Bylaws, or Oklahoma law do not direct to be done and exercised exclusively by Members or the membership generally.

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

- (1) preparing and adopting an annual budget of the Common Expenses and establishing each Member's Annual Assessment;
- (2) providing for the operation, care, upkeep, and maintenance of the Common Area;
- (3) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;
- (4) depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association; provided, any reserve funds may be deposited, in the Board's business judgment, in depositories other than banks;
- (5) Proposing and coordinating the amendment of use restrictions and rules in accordance with the Covenant;
- (6) opening of bank accounts on behalf of the Association and designating the

signatories required;

(7) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Covenant and these Bylaws;

(8) enforcing the provisions of the Covenant, these Bylaws, and the rules adopted pursuant thereto and bringing any legal proceedings which may be instituted on behalf of or against the Owners concerning the Association; provided, the Association shall not be obligated to take action to enforce any covenant, restriction or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as, inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action;

(9) obtaining and carrying reasonable and available property and liability insurance and fidelity bonds, paying the cost thereof, and filing and adjusting claims, as appropriate;

(10) paying the cost of all services rendered to and approved by the Association;

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

(12) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Brookhaven North Addition;

(13) indemnifying a director, officer or committee member, or former director, officer, or committee member of the Association to the extent such indemnity is authorized by Oklahoma law, the Articles of Incorporation, or the Covenant;

(14) assisting in the resolution of disputes between Owners and others without litigation.

3.18 Management. The Board may employ for the Association a professional manager agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The manager may be a corporation or an individual. The Board may delegate such powers as are necessary to perform the manager's assigned duties but shall not delegate policymaking authority or those duties set forth in Sections 3.17(1), 3.17(2), 3.17(5)-(6), 3.17(8) and 3.17(13)-(14).

The Board may delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the manager, if any, which might arise between meetings of the Board.

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

(1) cash accounting, as defined by generally accepted accounting principles, shall be employed;

(2) accounting and controls should conform to an accepted accounting system;

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

(4) no remuneration shall be accepted by the manager, officers or Board members from vendors, independent contractors, or others providing goods or services to the

Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

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

(6) commencing at the end of the quarter in which the first Lots is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on a cash basis;

(ii) a variance report reflecting the status of all accounts in an "actual" versus "approved" budget format;

(iii) a balance sheet as of the last day of the preceding period; and

(iv) a delinquency report listing all Owners who are delinquent in paying any assessments at the time of the report and describing the status of any action to collect such assessments which remain delinquent (any assessment or installment thereof shall be considered to be delinquent on the 15th day following the due date unless otherwise specified by Board resolution); and

(7) an annual report consisting of at least the following shall be made available to all Members within 120 days after the close of the fiscal year:

(i) a balance sheet;

(ii) an operating (income) statement; and

(iii) a statement of changes in financial position for the fiscal year.

Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines;

3.20 Borrowing. The Association shall have the power to borrow money for any legal purpose; provided, the Board shall obtain Member approval in the same manner provided in the Covenant if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing, together with all other debt incurred within the previous 12-month period, exceeds or would exceed 10% of the budgeted gross expenses of the Association for that fiscal year.

3.21 Right To Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, and other owners or residents associations, within and outside the Properties. Any common management agreement shall require the consent of an absolute majority of the Board.

3.22 Enforcement. In the event that any occupant, tenant, employee, guest, or invitee of a Lot violates the Covenants, Bylaws, or a rule then the Board may notify such person and Owner of such violation.

The Association shall not be obligated to take any enforcement action if the Board reasonably determines that the Association's position is not strong enough to justify taking such action. Such a decision shall not be construed a waiver of the right of the Association to enforce such provision at a later time under other circumstances or stop

the Association from enforcing any other covenant, restriction, or rule.

The Association, by contract or other agreement, may, but shall not be obligated to, enforce applicable city and county ordinances, if applicable, and may, but shall not be obligated to, permit Oklahoma County or the City of Edmond to enforce ordinances within the Properties for the benefit of the Association and its Members.

In conducting the business of the Association, the Board, at all times, shall act within the scope of Brookhaven North Governing Documents and in good faith to further the legitimate interests of the Association and its Members. In fulfilling its governance responsibilities, the Board shall limit its actions to those reasonably related to the Association's purposes; those reasonably related to or within the Association's powers, as provided by Brookhaven North Governing Documents and as provided by the laws of the State of Oklahoma; and those that are reasonable in scope. The Board shall exercise its power in a fair and nondiscriminatory manner and shall adhere to the procedures established in Brookhaven North Governing Documents.

Article 4 Officers

4.1 Officers. The officers of the Association shall be a President, Vice President, Secretary, Treasurer and Board Member at Large. The President and Secretary shall be elected from among the members of the Board; other officers may, but need not be members of the Board. The Board may appoint such other officers, including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of President and Secretary. Directors and Officers must be Members in good standing and must have paid current their assessments at the time of election and throughout their term of office.

4.2 Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each annual meeting of Members, to serve until their successors are elected.

4.3 Removal and Vacancies. The Board may remove any officer whenever in the Board's judgment the best interests of the Association will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4 Powers and Duties. The officers of the Association each shall have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The duties of the officers are as follows:

(1) **President.** The President shall be the chief executive officer of the Association. The president shall preside at all meetings of the Board of Directors and Members; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds, contracts and other written instruments;

(2) **Vice-President.** The Vice-President shall act in the place and stead of the president in the event of the president's absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of the vice-president by the Board.

(3) **Secretary.** The Secretary or a designated agent shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; shall keep the corporate seal of the Association and affix it on all papers requiring said seal; shall serve notice of meetings of the Board and of the Members; shall keep appropriate current records showing the Members of the Association together with their addresses; and shall perform such other duties as required by the Board.

(4) **Treasurer.** The Treasurer or a designated agent shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign or authorize a designated agent to sign promissory notes and checks of the association; shall keep proper books of account; shall cause an annual compilation report of the Association books to be made; and shall have primary responsibility for the preparation of the budget to be presented to the membership at its regular annual meeting, and deliver a copy to each of the Members. The Treasurer may delegate all or part of the preparation and notification duties to a finance committee, manager, or both.

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

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

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

Article 5 Committees

5.1 General. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

5.2 Covenants Committee. In addition to any other committees which the Board may establish pursuant to Section 5.1, the Board may appoint a Covenants Committee consisting of at least three and no more than seven Members. Acting in accordance with the provisions of the Covenants, these Bylaws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.23 of these Bylaws.

Article 6 Miscellaneous

6.1 Fiscal Year. The fiscal year of the Association shall be a calendar year, unless the Board establishes a different fiscal year by resolution.

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

6.3 Conflicts. If there are conflicts among the provisions of Oklahoma law, the Articles of Incorporation, the Covenant, and these Bylaws, the provisions of Oklahoma law (unless displaceable by the Governing Documents), the Covenants, the Articles of Incorporation, and the Bylaws (in that order) shall prevail.

6.4 Books and Records.

(1) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Lot, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Lot: the Covenants, Bylaws, and Articles of Incorporation, including any amendments, the rules of the Association, the membership register, books of account, including financial records, and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place as the Board shall designate.

(2) Rules for Inspection. The Board shall establish rules with respect to: (i) notice to be given to the custodian of the records; (ii) hours and days of the week when such an inspection may be made; and (iii) payment of the cost of reproducing documents requested.

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

(4) Exceptions to Inspection Requirement. Notwithstanding any provision to the contrary, the Board shall not be required to make available for inspection any portion of any book or record which relates to any of the following:

- (i) personnel matters or a person's medical records;
- (ii) communication between an attorney for the Association and the Association;
- (iii) pending or contemplated litigation;
- (iv) pending or contemplated matters relating to enforcement of the Governing Documents; or
- (v) meeting minutes or other records of a session of a Board or Association meeting that is not required by law to be open to all Members.

In addition, the Board shall not be required to disclose or make available for inspection any financial or other records of the Association if disclosure would violate local, state, or federal law.

6.5 Notices. Except as otherwise provided in the Covenants or these Bylaws, all notices, demands, bills, statements, or other communications under the Covenants or these Bylaws shall be in writing and shall be deemed to have been duly given if posted at each Major entrance to Brookhaven North, delivered personally, delivered electronically, posted on the association's publicly available website or if sent by United States mail, first class postage prepaid:

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

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

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

6.6 Amendment.

(1) By Members Generally. Except as provided above and Oklahoma law, these Bylaws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing a majority of a quorum of Members present in person or by proxy. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(2) Validity and Effective Date of Amendments. Amendments to these Bylaws shall become effective upon being recorded by the Secretary unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its being recorded by the Secretary, or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these Bylaws.

Article 7 Indemnification of Officers, Directors and Managing Agent

7.1 Indemnification. The Association shall indemnify, through insurance, commonly known as directors and officers liability insurance, or other means, every Director, officer, Managing Agent, their respective successors, personal representatives heirs and Association volunteers (the Indemnified Party), against all loss, costs and expenses, including attorney's fees, reasonably incurred by him in connection with any

action, suit or proceedings to which the Indemnified Party may be made a party by reason of the Indemnified Party being or having been a Director, officer or Managing Agent of the Association, except as to matters as to which the Indemnified Party shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the Indemnified Party has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director, officer or Managing Agent in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, officer or Managing Agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as Common Expenses; provided, however, that nothing in this paragraph shall be deemed to obligate the Association to indemnify any member or Owner of a Lot who is or has been a Director or officer of the Association with respect to any duties or obligations assumed or liability incurred by him under and by virtue of the Covenant.

7.2 No Personal Liability. Contracts or other commitments made by the Board of Directors, officers or the Managing Agent shall be made as agent for the Owners, and they shall have no personal responsibility on any such contract or commitment (except as Owners).

CERTIFICATION

I, the undersigned, do hereby certify: I am the duly elected and acting Secretary of Brookhaven Homeowners Association of Edmond, Inc., an Oklahoma corporation; the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the 25th day of March, 2011.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association the same date as written above.

Secretary: Douglas Fasching, 2010-2011