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**BY-LAWS
OF
Chateaux Owners' Association, Inc.**

The name of the organization shall be Chateaux Owners' Association, Inc.

ARTICLE I

PURPOSE AND PARTIES

1. Governance of Planned Unit Development Regime. The purpose for which this nonprofit corporation is formed is to govern the planned unit development project known as Chateaux at Cobblestone Section 1, hereinafter referred to as "Project", situated in the County of Oklahoma, State of Oklahoma, which property is described in the Declaration of Covenants, Conditions and Restrictions ("Declaration") of Chateaux at Cobblestone Section 1, and which property has been submitted to the regime created by the Declaration and the Exhibits thereto, including a true and correct copy hereof. All definitions contained in said Declaration shall apply hereto and are incorporated herein by reference.

2. Owners Subject to these By-Laws: Acceptance of By-Laws. All present or future owners, tenants, future tenants of any dwelling unit, or any other person who might use in any manner the facilities of the project, are subject to the provisions and any regulations set forth in these By-Laws. The mere acquisition, lease or rental or any dwelling unit or the mere act of occupancy of dwelling unit will signify that these By-Laws are accepted, approved, ratified and will be complied with.

ARTICLE II

**MEMBERSHIP, VOTING, MAJORITY OF CO-OWNERS ("OWNERS"),
QUORUM, PROXIES**

1. Membership. Except as is otherwise provided in these By-Laws, ownership of a dwelling unit is required in order to qualify for membership in this Association. Any person, on becoming an owner of a dwelling unit, shall mandatorily and automatically become a member of this Association and be subject to the By-Laws. Such membership shall terminate without any formal Association action whenever such person ceases to own dwelling unit, but such termination shall not relieve or release any such former owner from any liability or obligation and membership in this Association, or impair any rights or remedies which the owners have, either through the Board of Directors of the Association or directly, against such ownership and membership and the covenants and obligations incident thereto.

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6601 N. Broadway Extension
Oklahoma City, OK 73116

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2. Voting. Voting shall be on a per dwelling unit basis, and the number of votes to which any person is entitled shall be based on one (1) vote per dwelling unit owned. The Declarant shall have two (2) votes per each lot and dwelling unit owned by it, whether developed or not, until a time specified in the Declaration.

3. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration or these By-Laws.

4. Proxies. Votes may be cast in person or by written proxy. Proxies must be filed with Secretary or Assistant Secretary of the Association before the appointed time of each meeting.

ARTICLE III

ADMINISTRATION

1. Association Responsibilities. Chateaux Owners' Association, Inc., a corporation, hereinafter referred to as "Association", will have the responsibility of administering the project through a Board of Directors.

2. Place of Meeting. Meetings of the Association shall be held at such suitable place, convenient to the owners, as the Board of Directors shall determine.

3. Annual Meetings. The first meeting of the Association shall be held not later than sixty (60) days after forty (60%) of the units are sold and closed or the first Monday in January 2008 whichever first occurs. Thereafter, the annual meetings of the Association shall be held on the first Monday in the month of January of each succeeding year. At such meetings, there shall be elected by ballot of the owners a Board of Directors in accordance with the requirements of Paragraph 5 of Article IV of these By-Laws. The owners may also transact such other business of the Association as may properly come before them.

4. Special Meetings. It shall be the duty of the President to call a special meeting of the owners as directed by resolution of the Board of Directors or upon a petition signed by a majority in voting interest of the owners and having been presented to the Secretary or Assistant Secretary of the Association. The notice of any special meeting shall state the time and place of such meeting and the purposes thereof. No business except as stated in the notice shall be transacted at a special meeting unless by consent of two-thirds (2/3) in interest of the owners present, either in person or by proxy. Any such meetings shall be held after the first annual meeting and shall be held within thirty (30) days after receipt by the President of such Resolution or petition.

5. Notice of Meetings. It shall be the duty of the Secretary or Assistant Secretary of the Association to mail a notice of each meeting, stating the purpose thereof, as well as the time and place it is to be held, to each owner of record at least ten (10) days but not more than thirty (30) days prior to such meeting. The mailing of notice in the manner provided in this paragraph shall be considered notice served.

6. Adjourned Meetings. If any meetings of owners cannot be organized because a quorum has not attended, the owners who are present, either in person or by proxy, may adjourn the meeting, from time to time, until a quorum is obtained; however, the place of the meeting must remain as stated in the notice.

7. Order of Business. The order of business at all meetings of owners shall be as follows:

- A) Roll call and certifying proxies;
- B) Proof of notice of meeting or waiver of notice;
- C) Reading and disposal of unapproved minutes;
- D) Reports of officers;
- E) Reports of Committees;
- F) Election of directors, as applicable;
- G) Unfinished business;
- H) New business; and
- I) Adjournment.

ARTICLE IV

BOARD OF DIRECTORS

1. Number, Qualifications, and Appointment or Election. Until the first annual meeting of the Association, the affairs of the Association shall be governed by a Board of Directors consisting of three (3) persons appointed by Declarant. At such first meeting, there shall be elected any three (3) persons to the Board of Directors, who shall, thereafter, govern the affairs of this Association until their successors have been duly elected and qualified. Nomination of candidates for the election of Directors shall always be allowed from the floor.

2. General Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and/or the operation and maintenance of a first class residential project. The Board of Directors may do all such acts and things except as prohibited by law or by these By-Laws or by the Declaration.

3. Other Powers and Duties. Such powers and duties of the Board of Directors shall include, but shall not be limited to, the following, all of which shall be done for and on behalf of the owners of the project;

- A) Administration. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration, the By-Laws of the Association and supplements and amendments thereto.
- B) Rules. To establish, make and enforce compliance with such reasonable house rules as may be necessary for the operation, use and occupancy of the project with the right to amend same from time to time. A copy of such rules and regulations shall be delivered or mailed to each owner within five (5) days following the adoption thereof.
- C) Maintenance of Common Areas. To keep in good order, condition and repair all of the common areas and all items of common personal property used by the owners in the enjoyment of the entire premises.
- D) Insurance. To insure and keep insured all of the insurable common areas of the property in an amount equal to their maximum replacement value as is provided in the Declaration. To insure and keep insured all the common fixtures, equipment and personal property for the benefit of the owners of the dwelling units and their mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the common areas.
- E) Budget, Determination of Assessment, Increase or Decrease Same, Levy of Special Assessments. To prepare a budget for the project, at least annually, determine the amount of common charges payable by the owners to meet the common expenses of the project, and allocate and assess such common charges among the owners, and by a majority vote of the Board to adjust, decrease or increase the amount of the monthly assessments over expenses, working capital, sinking funds, reserve for deferred maintenance and for replacement to the owners at the end of each operating year. To levy and collect special assessments whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.
- F) Enforcement of Assessment Lien Rights. To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner who may be in default as is provided for in the Declaration and these By-Laws. To enforce a per diem late charge and to collect interest in connection with assessments remaining unpaid more than thirty (30) days from due date for payment thereof, together with all expenses, including attorney's fees incurred.

- G) Protect and Defend. To protect and defend the entire premises from loss and damage by suit or otherwise
- H) Borrow Funds. To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these By-Laws, and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary.
- I) Contract. To enter into Contracts within the scope of their duties and powers.
- J) Bank Account. To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.
- K) Manage. To make repairs, additions, alterations and improvements to the common areas consistent with managing the project in a first class manner and consistent with the best interest of the dwelling unit owners.
- L) Books and Records. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examinations thereof by each of the owners and each first mortgagee, and to cause a complete audit of the books and records by auditors once a year, if requested.
- M) Annual Statement. To prepare and deliver annually to each owner a statement showing receipts, expenses and disbursements since the last statement.
- N) Meetings. To meet at least once each quarter, provided that any Board of Directors meeting may be attended and conducted by telephone or other device which permits all of the Directors in attendance to participate in such meeting, and provided further that any action required to be taken at any meeting of the Board of Directors, or any action which may be taken at such meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Board.
- O) Personnel. To designate, employ and dismiss the personnel necessary for the maintenance and operation of the common areas or other administration of the project.

- P) Administration of Association. In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of this project.
- Q) Managing Agent. To employ for the Association a management agent ("Managing Agent") who shall have and exercise all of the powers granted to the board of Directors by the Declaration and By-Laws.
- R) Ownership of Dwelling Units. To own, convey, encumber, lease or otherwise deal with dwelling units conveyed to it as the result of enforcement of the liens for common expenses or otherwise.
- S) All Things Necessary and Proper. To do all things necessary and proper for the sound and efficient management of the project.
- T) Tax Exempt Status. To determine each year the advisability of election of tax exempt status under the Internal Revenue Code.

4. No Waiver of Rights. The omission or failure of the Association or any owner to enforce the covenants, conditions, restrictions, easements, use limitations, obligations or other provisions of the Declaration, the By-Laws or the regulations and house rules adopted pursuant thereto, shall not constitute or be deemed a waiver, modification or release thereof, and the Board of Directors or the Managing Agent shall have the right to enforce the same thereafter.

5. Election and Term of Office; Staggered Office. At the first annual meeting of the Association, the term of office of two (2) Directors shall be fixed at two (2) years; and the term of office of the remaining Director shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of one (1) year. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided.

6. Vacancies of Board. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected at the next annual meeting of the Association.

7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by two-thirds (2/3) of the owners, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the owners shall be given an opportunity to be heard at the meeting. Should any Director miss three consecutive

disbursing funds, the Treasurer shall review the accounts of the Managing Agent within fifteen (15) days after the first day of each month.

ARTICLE VII

INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENT

1. Indemnification. The Association shall indemnify through insurance or other means every Director, Officer, Managing Agent, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by them in connection with any action, suit or proceedings to which they may be made a part by reason of their being or having been a Director, Officer or Managing Agent of the association, except as to matters as to which they 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 person to be indemnified 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, costs 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 Article VII shall be deemed to obligate the Association to indemnify any member or owner of a dwelling unit 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 Declaration.

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), and the liability of any owner on such contract or commitment shall be limited to such proportional share of the total liability thereof as the common interest of each owner bears to the aggregate common interest of all of the owners set forth on "Exhibit B" to the Declaration, except as otherwise provided in said Declaration.

ARTICLE VIII

AMENDMENTS TO BY-LAWS

1. Amendments to By-Laws. The By-Laws may be amended in writing by the Association at a duly constituted meeting called for such purpose or in any regular meeting so long as the notice of such meeting sets forth the complete text of the proposed amendment. No amendment shall be effective unless approved by a fifty-one percent

(51%) vote of the dwelling unit owners and unless set forth in an amended Declaration and duly recorded.

ARTICLE IX

MORTGAGES

1. Notice to Association. An owner who mortgages his dwelling unit shall notify the Association through the Managing Agent, if any, or the Secretary or Assistant Secretary of the Association, giving the name and address of his mortgagee. The Association shall maintain such information in a book entitled "Mortgagees of Dwelling Units".

2. Notice to Mortgagees of Unpaid Common Assessments. The Board of Directors, whenever so requested in writing by a mortgagee of a dwelling unit, shall promptly report any then unpaid common assessments due from, or any other default by, the owner thereof.

3. Notice to Mortgagees of Default by Owner. The Board of Directors, when giving notice to an owner of a default in paying common assessments or other default, shall send a copy of such notice to each holder of a mortgage covering such dwelling unit whose name and address has theretofore been furnished to the Board of Directors, and shall have the right, but not the obligation, to post a copy of such notice in a public place on the common grounds of the project without assuming any liability for such action.

4. Examination of Books by Owners and Mortgagees. Each owner and each mortgagee of a dwelling unit shall be permitted to examine the books of account of the dwelling unit at reasonable times, on business days, after notice, and shall be permitted to receive, upon request, audited financial statements of the Association.

ARTICLE X

EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND DESIGNATION OF VOTING REPRESENTATIVE

1. Proof of Ownership. Except for those owners who initially purchase a dwelling unit from Declarant, any person, on becoming an owner of a dwelling unit, shall furnish to the Managing Agent or Board of Directors a true and correct copy of the original or a certified copy of the recorded instrument vesting that person with an interest or ownership in the dwelling unit, which copy shall remain in the files of the Association. A member shall not be deemed to be in good standing, nor shall he be entitled to vote at any annual or special meeting of members unless this requirement is first met.

2. Registration of Mailing Address. The owner or several owners of an individual dwelling unit shall have one and the same registered mailing address to be used by the

7. Use of Dwelling Units. All dwelling units shall be utilized only for residential purposes except as is otherwise provided in the Declaration and Plans.

8. Use of Common Areas. Each owner may use the common areas, sidewalks, pathways, roads and streets located within the entire project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other owners.

9. Right of Entry.

- A) An owner shall and does grant the right of entry to the Managing Agent or to any other person authorized by the Association in case of an emergency originating in or threatening his dwelling unit, whether the owner is present at the time or not.
- B) An owner shall permit the Association, or its representatives, to enter his dwelling unit for the purpose of performing installations, alterations or repairs to the mechanical, electrical or utility services which, if not performed, would affect the use of other dwelling unit(s); provided that requests for entry are made in advance and that such entry is at a time reasonably convenient to the Owner. In case of an emergency, such right of entry shall be immediate.

10. Rules and Regulations.

- A) The initial rules and regulations, which shall be effective until amended or supplemented by the Association, have been prepared by Declarant.
- B) The Board of Directors, pursuant to Article IV of these By-Laws, reserves the power to establish, make and enforce compliance with such additional rules as may be necessary for the operation, use and occupancy of this project, with the right to amend same from time to time. Copies of such rules and regulations shall be furnished to each owner prior to the date when the same shall become effective.

ARTICLE XII

ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS

1. Abatement and Enjoinment. The violation of any rule or regulation accepted by the Board of Directors, or the breach of any By-Laws, or the breach of any provision of the Declaration, shall give the Board of Directors or the Managing Agent the right, in addition to any other rights set forth therein, (i) to enter the dwelling unit which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense

of the defaulting dwelling unit owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or Managing Agent shall not be deemed guilty in any manner of trespass, and to expel, remove, put out, using such force as may be necessary in so doing, without being liable to prosecution or any damages therefor; and (ii) to enjoin, abate, or remedy by appropriate legal proceedings, either in law or in equity, the continuance of any breach.

2. Denial of Use of Common Area. Should any owner be in default in the payment of any dues, assessments, or other sums due under the terms of the Declaration or these By-Laws or any rule or regulation then in force, after due notice to correct such violation, then in any of such events, such owner; may be denied the use of any of the common areas until such default or violation is appropriately cured.

ARTICLE XIII

COMMITTEES

1. Designation. The Board of Directors may, but shall not be required to, appoint an executive committee, and it may designate and appoint members to standing committees or special ad hoc committees for any useful or worthwhile purpose to function in an advisory capacity to the Board of Directors. The board may establish rules for the conduct of these committees and may delegate responsibility to said committees.

2. Executive committee. The executive committee shall consist of two (2) persons who shall be appointed by the Board of Directors from the members of the Board. One member shall be the President. The executive committee shall supervise the affairs of the Association and shall regulate its internal economy, approve expenditures and commitments, act and carry out the established policies of the Association and report to the Directors at each meeting of the Board. The executive committee may hold regular meetings monthly or as it may, in its discretion, determine. Special meetings may be called at any time by the chairman of the committee or by any of its members, either personally or by mail, telephone or telegraph, and a special meeting may be held by telephone.

3. Nominating Committee. Before each annual meeting, the Board of Directors may appoint a committee of three (3) members who shall nominate candidates for the board. The names of the candidates shall be submitted on or before thirty (30) days before the election. Members may submit names of candidates other than those submitted by the nominating committee at least thirty (30) days prior to the election. Unless such names are submitted, either by the nominating committee or by the members, no person shall be elected whose name is not so submitted unless no nominations are made, in which event the names of candidates shall be submitted at the election by the members.

4. Maintenance and Management Committee. The Maintenance and Management Committee, consisting of at least two (2) persons, shall have the responsibility of

planning programs that conserve, enhance and protect the common and limited common elements.

5. Vacancies. A vacancy in any committee shall be filled by the President until the next meeting of the Board of Directors.

ARTICLE XIV

COMPENSATION

This Association is not organized for profit. No member, member of the Board of Directors, Officer or person from whom the Association may receive any property or funds shall receive or shall be lawfully entitled to receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefits of any member of the Board of Directors, Officers or member, provided, however, any member, Director or Officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

ARTICLE XV

EXECUTION OF DOCUMENTS

The persons who shall be authorized to execute any and all contracts, documents, instruments or conveyances or encumbrances, including promissory notes, shall be the President or Vice President and the Secretary or Assistant Secretary of the Association.

ARTICLE XVI

MISCELLANEOUS

1. Conflict in Documents. In the event that any inconsistency or conflict exists between the items of the Declaration, these By-Laws, or any rule or regulation then in force, the inconsistency or conflict shall in every instance be controlled by the Declaration.

2. Conflict Between Owners. In the event that any dispute between owners arises involving any of the common elements, limited common elements, amenities or any other matters concerning the project and the conflict cannot be resolved by the Managing Agent, it shall be resolved by the Board of Directors.

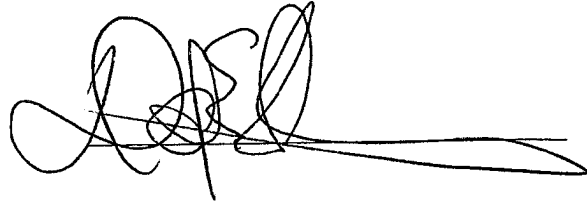
3. Due Process. In order to afford due process to each owner before any punitive action may be finally imposed by the Board of Directors, each owner shall have the right, after receiving notice of the Board's intended imposition of a fine or other punitive action, of not less than ten (10) days written notice served upon the owner as provided by

civil process in the State of Oklahoma, a hearing before the Board of Directors, en banc, shall then be available to any owner to present evidence for the purpose of avoiding or mitigating any penalty or punitive action, at which hearing both the Association and the owner may produce evidence and present witnesses. The Board of Directors shall promptly resolve the dispute and announce its decision, which in such instances shall be final as to all matters.

4. Exculpation of Unavoidable Loss. The Association shall not be liable for any loss to any owner or inflicted upon any dwelling unit or the property of the owner situated therein, brought about by flooding, water damage caused by bursted pipes, acts of God or other force majeure. It is intended that for losses of this nature, each owner will bear the same or affect his own insurance to cover the same. Each owner may obtain additional insurance at his own expense for his own benefit. Insurance coverage on all furnishings and decorations and other items of personal property belonging to an owner and casualty and public liability insurance coverage within each individual dwelling unit is specifically made the responsibility of the owner thereof.

5. Turnover of Association to Homeowners. When 75% of the units are sold and closed, and when Declarant is assured that the Homeowners Association has adequate financial resources to continue operation, the Declarant will turn the Association over to the homeowners. Based on current sales, turnover should be about November 2008.

EXECUTED this 26th day of February, ²⁰⁰⁷~~2005~~, by the undersigned, being all the Directors of Chateaux Owners' Association, Inc.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

STATE OF OKLAHOMA)
) SS:
OKLAHOMA COUNTY)

The foregoing instrument was acknowledged before me this 26th day of
February, 2005. 2007
By: David Austin, Managing Member of Austin Homes, L.L.C.

Tammy Newcomb
NOTARY PUBLIC

My Commission Expires:

