

EXHIBIT B

BY-LAWS GRAMERCY PARK (A REAL ESTATE DEVELOPMENT)

ARTICLE 1 NAME AND LOCATION

The name of this Real Estate Development is Gramercy Park.

ARTICLE 2 PURPOSE AND PARTIES

2.1 The administration of every property described in Exhibit "A" of the Covenants, Conditions and Restrictions of which these are a part which has been submitted to the provisions of 60 Okla. Stat. §§851 through 855, inclusive, by the recording of said Covenants, Conditions and Restrictions and the Exhibits thereto, including a true and correct copy of the By-Laws. All definitions and terms contained in said Covenants, Conditions and Restrictions shall apply hereto and are incorporated herein by reference.

2.2 All present and future owners, future tenants of any lot, mortgagees and other persons who may use the facilities of the Property in any manner are subject to these By-Laws, the Covenants, Conditions and Restrictions, the rules and regulations, all covenants; conditions and restrictions, agreements and easements relating thereto. The acceptance of a deed or conveyance or the entering into of a lease or the act of occupancy of a lot shall constitute an agreement that these By-Laws, the Covenants, Conditions and Restrictions, as they may be amended from time to time, and the title conditions are accepted and will be complied with.

ARTICLE 3 LOT OWNERS

3.1 Membership

Any person on becoming an owner of a lot in Gramercy Park or subsequent Development Tract as defined and provided in Article 10 of the Covenants of which this Exhibit "C" is a part becomes member of The Gramercy Park Homeowners' Association and be subject to these By-Laws. Such membership shall terminate without any formal Homeowners 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 obligation incurred under or in any way connected with this Homeowners Association during the period of such ownership and membership in this Homeowners Association or impair any rights or remedies which the owners have either through the Board of Directors of the Homeowners Association or directly against such former owner or member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto. The membership shall be deemed, conveyed or encumbered with the lot even when such interest is not expressly mentioned or described in the conveyance or other instrument.

3.2 Annual Meetings

Regular annual meetings of members of the Homeowners Association shall be held on the project or such other suitable place convenient to the members as may be designated by the Board. The first meeting of the Homeowners Association shall be held within forty-five (45) days after the close of the sale of sufficient lots to constitute a majority of lot owners calculated without the consideration of the interest owned by the Developer but, in no event, shall the first meeting be held later than the earlier of (i) four months after seventy-five percent (75%) of the lots in the project have been conveyed to lot purchasers or (ii) three years after the first lot is conveyed.

3.3 Special Meetings

A special meeting of members of the Homeowners Association shall be promptly called by the Board upon the vote for such a meeting by a majority of a quorum of the Board or upon receipt of a written request therefor signed by members representing twenty-five percent (25%) of the total voting power of the Homeowners Association or by members representing fifteen percent (15%) of the voting power residing in members other than Developer.

3.4 Notice of Meetings

Written notice of regular and special meetings shall be given to members by the Board by mailing a notice to each member which shall specify the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken. Except in the case of an emergency, notice shall be mailed to each member at least ten (10) days prior to the meeting and shall be posted in a conspicuous place on the common elements.

3.5 Quorum

Except as otherwise provided in these By-Laws, the presence in person or by proxy of a majority of voting power of the Homeowners Association shall constitute a quorum at all meetings of the lot owners. The 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. An affirmative vote of a majority of the owners present, either in person or by proxy, shall be required to transact the business of the meeting except wherein the Covenants, Conditions and Restrictions, these By-Laws or by law a higher percentage vote is required.

3.6 Proxies

At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary before the appointed time of each meeting. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot or

upon receipt of notice by the secretary of the Board of the death or judicially declared incompetence of such member.

3.7 Adjournment

In the absence of a quorum at the commencement of a members meeting, a majority of those present in person or by proxy may adjourn the meeting to another time, but may not transact any other business. Any adjournment for lack of a quorum shall be a date not less than five (5) days and not more than thirty (30) days from the original meeting date. The quorum for such a reconvened meeting shall be twenty-five percent (25%) of the total voting power of the Homeowners Association.

3.8 Voting

The owner of each lot shall be entitled to one (1) vote in which they hold the interest required for membership, except that Developer shall be entitled to twenty-three (23) votes for each lot owned by the Developer. When more than one person holds such interests or interest in any lot, all such persons shall be members and the vote for such lot shall be exercised as they among themselves determine, but in no event, shall more than one (1) vote be cast with respect to any lot, except as provided for Developer herein. The total number of votes shall ultimately be determined as additional properties are made subject to this Declaration of Covenants and Restrictions for the Owners' Association.

3.9 Order of Business

The order of business of all meetings of the 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 Board of Directors;
- (f) Reports of Committees;
- (g) Election of members of the Board of Directors;
- (h) Unfinished business;
- (i) New business; and,
- (j) Adjournment.

ARTICLE 4 BOARD OF DIRECTORS, SELECTION; TERM OF OFFICE

4.1 Number and Term of Directors

The Board shall consist of five (5) directors, each of whom shall be a lot owner or an agent of Developer (while Developer remains a lot owner). The "Developer" shall mean Gramercy Park, L.L.C., acting through an agent or agents. The managers shall serve concurrent terms of one (1) year. The initial managers, who shall be appointed by the Developer, or its duly elected replacement, shall serve until Developer has sold seventy percent (70%) of the residences Developer elects to build on the land described on Exhibits A, B, and C, hereto; thereafter, all managers shall be elected and removed according to these By-Laws. So long as the Developer owns one or more lots, the Developer shall be entitled to elect at least one (1) member of the Board of Directors, who need not be a lot owner. After the Developer has conveyed all lots and

is no longer entitled to elect one member of the Board of Directors, all managers shall be lot owners.

4.2 Election of Board of Directors

4.2.1. Nomination Nominations for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting of the Homeowners Association. The nominating committee shall consist of a chairman, who shall be a member of the Board of Directors, and two or more members of the Homeowners Association. The nominating committee shall be appointed by the Board of Directors at least ninety (90) days prior to each annual meeting of the members to serve until the close of such annual meeting. The nominating committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine but not less than the number of vacancies that are to be filled.

4.2.2. Cumulative Voting Elections of Board members shall be by secret written ballot. All elections in which more than two (2) positions on the Board are to be filled shall be conducted by cumulative voting.

4.2.3. Special Provision Except as is hereinabove provided for so long as a majority of the voting power of the Homeowners Association resides in the Developer, the first manager to be elected shall be elected solely by the votes of owners other than the Developer and the remaining managers shall be elected by the usual cumulative voting procedures.

4.3 Removal

Unless the entire Board is removed from office by the vote of the Homeowners Association's members, an individual manager shall not be removed prior to the expiration of his term of office if the number of votes cast against his removal is greater than the quotient arrived at by dividing the total number of votes that may be cast plus the authorized number of managers. A manager elected pursuant to the special procedures set forth in Sub-Article 4.2.3 may be removed prior to the expiration of his term only by a simple majority of the voting power residing in members other than the Developer. No manager shall continue to serve on the Board if, during his term of office, he shall cease to be a lot owner.

4.4 Vacancies

Vacancies in the Board caused by any reason other than the removal of a manager by a vote of the members shall be filled by a vote of the majority of the remaining managers, even though they may constitute less than a quorum, and each person so elected shall be a manager until a successor is elected at the next annual meeting of the Homeowners Association or at a special meeting of the members called for that purpose.

ARTICLE 5 MEETING OF DIRECTORS

5.1 Regular Meetings

Regular meetings of the Board shall be conducted at least monthly at a time and place within or near the project as may be fixed by the Board. Notice of the time and place of regular meetings

shall be given to each manager personally or by mail, telephone or telegraph at least three (3) days prior to the day named for the meeting and shall also be posted at a prominent place or places within the common elements.

5.2 Special Meetings

A special meeting of the Board may be called by written notice signed by the President of the Homeowners Association or by any two (2) managers other than the president. Notice shall be provided to all managers and posted in the common elements in the manner prescribed for notice of regular meetings and shall include a description of the nature of any special business to be considered by the Board.

5.3 Waiver of Notice

Before or at any meeting of the Board, any manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice that manager. Attendance by a manager at any meeting of the Board shall be a waiver of notice, by him of the time and place of the meeting.

5.4 Quorum

The presence in person of a majority of the managers at my meeting of the Board shall constitute a quorum for the transaction of business and the acts of a majority of the Managers present at a meeting at which a quorum is present shall be the acts if the Board of Directors. If at any meetings of the Board of Directors there shall be less than a quorum present, a majority of those present may adjourn from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

5.5 Adjournment: Executive Session

The Board may, with the approval of a majority of a quorum of the managers, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Homeowners Association is or may become involved and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session. .

5.6 Board Meetings Open to Members

Regular and special meetings of the Board shall be open to all members of the Homeowners Association; provided, however, that members who are not on the Board may not participate in any deliberation or discussion unless expressly so authorized by the vote of a majority of a quorum of the Board.

5.7 Managing Agent and/or Manager

The Board of Directors may employ for the project a managing agent and/or a manager at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize.

5.8 The Board of Directors shall attempt to obtain adequate fidelity bonds for all officers and employees of the project handling or responsible for project funds. The premium for such bonds shall constitute a common expense.

5.9 Compensation

No member of the Board of Directors shall receive any compensation from the Homeowners Association or lot owners for acting as such.

5.10 Liability of the Board of Directors

The members of the Board of Directors shall not be liable to the lot owners for any mistake of judgment, negligence or otherwise except for their own individual willful misconduct or bad faith. The lot owners shall indemnify and hold harmless each of the members of the Board of Directors against all contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Homeowners Association unless any such contract shall have been made in bad faith or contrary to the provisions of the covenants, Conditions and Restrictions or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Homeowners Association or the project. It is understood and permissible for the original Board of Directors, who are members of or employed by Developer, to contract with the Developer and affiliated corporations without fear of being charged with self-dealing. It is also intended that the liability of any lot owner arising out of any contract made by the Board of Directors or out of the aforesaid indemnity in favor of the members of the Board of Directors shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interests of all the lot owners in the common elements. Every agreement made by the Board of Directors or by the managing agent or by the manager on behalf of the Homeowners Association shall provide that the members of the Board of Directors, or the managing agent or the manager, as the case may be, are acting only as agents for the lot owners and shall have no personal liability thereunder (except as lot owners) and that each lot owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the common elements bears to the interest of all lot owners in the common elements.

ARTICLE 6 POWERS AND DUTIES OF THE BOARD OF DIRECTORS

6.1 Powers and Duties

The Board of Directors shall have the powers and duties necessary for the administration of every property and may do all such acts and things except as by law or by the Covenants, Conditions and Restrictions or by these By-Laws may not be delegated to the Board of Directors by the lot owners without limitation on the generality of the foregoing powers and duties, the Board shall be vested with and responsible for the following powers and duties.

- 6.1.1 To select, appoint, supervise and remove all officers, agents and employees of the Homeowners Association; to prescribe such powers and duties for them as may be consistent with law and with the Covenants, Conditions and Restrictions and these By-Laws; and to fix their compensation (if not prohibited under these By-Laws) and to require from them security for faithful service when deemed advisable by the Board.

- 6.1.2 To enforce the applicable provisions of the Covenants, conditions and Restrictions, these By-Laws and other instruments relating to the ownership, management and control of the project.
- 6.1.3 To adopt and publish rules and regulations governing the use of the common elements and facilities and the personal conduct of the members of their guests thereon and to establish procedures and penalties for the infraction thereof, subject to approval of the membership.
- 6.1.4 To pay all taxes and assessments, which are or could become a lien on the common elements or a portion thereof.
- 6.1.5 To contract for casualty, liability and other insurance on behalf of the Homeowners Association as provided in the Covenants, Conditions and Restrictions.
- 6.1.6 To cause the common elements to be maintained and to contract for goods and/or services for the common elements or for the Homeowners Association, subject to the limitations set forth *in* this Article.
- 6.1.7 To delegate its powers to committees, officers or employees of the Homeowners Association or to a management company pursuant to a written contract as expressly authorized by the Covenants, Conditions and restrictions and these By-Laws.
- 6.1.8 To prepare budgets and financial statements for the Homeowners Association as prescribed in these By-Laws.
- 6.1.9 To initiate and execute disciplinary proceedings against members of the Homeowners Association for violations of the provisions of the Covenants, Conditions and Restrictions, these By-Laws and such rules as may be promulgated by the Board in accordance with procedures set forth in these By-Laws.
- 6.1.10 To enter upon any privately owned lot as necessary in connection with construction, maintenance or emergency repair for the benefit of the common elements of the owners.
- 6.1.11 To borrow money and incur indebtedness for purposes of the Homeowners Association and to cause to be executed and delivered therefor in the Homeowners Association's name promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation's or other evidences of debt and securities therefor.
- 6.1.12 To fix and collect regular and special assessments according to the Covenants Conditions and Restrictions and these By-Laws and, if necessary, to record a notice of assessment is not paid within thirty (30) days after the due date or bring an action at law against the owner personally obligated to pay such assessment. All reserves for capital expansion *I* repair and maintenance shall be transferred to and held in a trust fund or funds for such purpose established by a vote of a majority of members and shall be expended only in the trust manner prescribed.

6.1.13 To prepare and file annual tax returns with the federal government and the State of Oklahoma and to make such elections as may be necessary to reduce or eliminate the tax liability of the Homeowners Association. Without limiting the generality of the foregoing, the Board may, on behalf of the Homeowners Association, elect to be taxed, if possible, under Section 528 of the Internal Revenue Code or any successor statute conferring income tax benefits on owners associations. In connection therewith, the Board shall take such steps as are necessary to assure that the income and expenses of the Homeowners Association for any taxable year shall meeting the following limitations and restrictions.

6.1.13.1 At least eighty percent (80%) of the gross income of the Homeowners Association for any taxable year shall consist solely of amounts received as membership dues, fees or assessments from lot owners.

6.1.13.2 At least ninety percent (90%) or more of the expenditures of the Homeowners Association for any taxable year shall be for the acquisition, construction, management, maintenance and care of the Homeowners Association's property.

6.1.13.3 No part of the net earnings of the Homeowners Association shall inure (other than by acquiring, constructing or providing management, maintenance and care of the Homeowners Association's property and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any private individual.

6.2 **Limitation of the Board's Power**

Except with the vote or written assent of a majority of the voting power of the Homeowners Association residing in members other than Developer, the Board shall be prohibited from taking any of the following actions.

6.2.1 Incurring aggregate expenditures for capital improvements to the common elements in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Homeowners Association for that fiscal year.

6.2.2 Selling during any fiscal year property of the Homeowners Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Homeowners Association for that fiscal year.

6.2.3 Paying compensation to managers or to officers of the Homeowners Association for services performed in the conduct of the Homeowners Association's business, provided, however, that the Board may cause a manager or officer to be reimbursed for expenses incurred in carrying on the business of the Homeowners Association.

6.2.4. Entering into a contract with a third person wherein the third person will furnish goods or services for the common elements or the Homeowners Association for a term longer than one (1) year with the following exceptions.

6.2.4.1 A management contract.

6.2.4.2 A contract with a public utility company if the rates charges for the materials or services are regulated by the Corporation Commission; provided,

however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

6.2.4.3 Prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration provided that the policy permits for short rate cancellation by the insured.

Any agreement for professional management of the project or any other contract providing for services by Developer shall provide for termination by either party without cause or payment of a termination fee on ninety (90) days or less written notice and shall provide for a maximum contract term of three (3) years.

ARTICLE 7 OFFICERS AND DUTIES

7.1 Enumeration and Term

The officers of the Homeowners Association shall be a president and vice president, who shall at all times be members of the Board of Directors, a secretary and a treasurer and such other officers as the Board may from time to time by resolution create. The officers shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign or shall be removed or otherwise disqualified to serve.

7.2 Election of Officers

Except as to the initial officers who shall be elected by the Board appointed by this Developer as herein provided, the election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

7.3 Resignation and Removal

Any officer may be removed from office by a majority of the Board at any time with or without cause. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignations shall take effect on the date of 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.

7.4 Vacancies

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

7.5 Multiple Offices

The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to this Article.

7.6 Duties

The duties of the officers are as follows:

7.6.1 President The president shall preside at all meetings of the Board of Directors and the Homeowners Association (members); shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks (unless the authority to sign checks in the ordinary course of the Homeowners Association's business has been delegated to a management company as provided in these By-Laws) and promissory notes.

7.6.2 Vice President The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

7.6.3 Secretary The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Homeowners Association, together with their addresses, and shall perform such other duties as provided by the Board.

7.6.4 Treasurer The treasurer shall receive and deposit in appropriate bank accounts all monies of the Homeowners Association and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all checks and promissory notes of the Homeowners Association; and shall keep proper books of accounts and prepare or have prepared financial statements as required in these By-Laws. The duty of the treasurer to receive and deposit funds and to sign checks in the ordinary course of the Homeowners Association's business may be delegated to a management company as provided in these By-Laws.

7.7 **Compensation of Officers**

No officers shall receive any compensation from the Homeowners Association or lot owners for acting as such.

ARTICLE 8 MAINTENANCE AND ASSESSMENTS

Pursuant to the procedures and guidelines set forth in the Covenants, Conditions and Restrictions, the Board shall levy, collect and enforce regular and special assessments for the operation of the Homeowners Association and for management, maintenance and operation of the common elements. The assessments shall be used exclusively to promote the recreation, health, safety and welfare of all residents in the entire project for improvements and maintenance of the common elements for the common good of the project. Regular assessments shall include an adequate reserve fund for maintenance, repairs and replacement of the common elements. The requirement of this article include, but are not limited to, the maintenance of the private streets, the detention improvements and for following in compliance with City Code of Oklahoma City: (a) maintenance and repairs of the private streets and/or fire lanes, and to provide the funds thereof, for the maintenance and repairs through the use of assessments; (b) maintenance testing and repairs of all functions of the gate; (c) establishing the access code, and assuring that the emergency services have the property code number changing the code will not be allowed without proper notification; (d) accompanying the Fire Department officers during annual inspection and testing of the opening systems; and (e) maintaining a service agreement with a qualified contractor to insure year round maintenance.

ARTICLE 9 DISCIPLINE OF MEMBERS; SUSPENSION OF RIGHTS

The Homeowners Association shall have no power to cause a forfeiture or abridgment of an owner's right to the full Use and enjoyment of his individually owned lot on account of a failure of the owner to comply with provisions of the Covenants, Conditions and Restrictions, these By-Laws or of duly enacted rules of operation for the common elements and facilities, except where the loss or forfeiture is the result of the judgment of a Court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the owner to pay assessments levied by the Homeowners Association. Notwithstanding the foregoing, the Board shall have the power to impose reasonable monetary penalties, temporary suspensions of an owner's rights as a member of the Homeowners Association or other appropriate discipline f-

or failure to comply with the Covenants, Conditions and Restrictions, these By-Laws or duly enacted rules; provided that the accused shall be given reasonable notice and the opportunity to be heard by the Board with respect to the alleged violations before a decision to impose discipline is reached. In the case in which monetary penalties are to be imposed, such penalties shall be according to a schedule of penalties, related to specific offenses, which schedule shall be proposed by the Board and approved by the vote or written assent of a majority of the voting power of each class of membership. Such penalties shall bear a reasonable relationship to the conduct for which the penalty is imposed and may only be imposed prospectively.

ARTICLE 10

BUDGETS, FINANCIAL STATEMENTS, BOOKS AND RECORDS

10.1 Budgets and Financial Statements Financial statements for the Homeowners Association shall be regularly prepared and copies shall be distributed to each, member of the Homeowners Association as follows:

10.1.1 A pro forma operating statement (budget) for each fiscal year shall be distributed not less than sixty (60) days before the beginning of the fiscal year.

10.1.2 A balance sheet (as of an accounting day which is the last day of the month closest in time to six (6) months from the date of closing of the first sale of a lot in the project to an individual buyer) and an operating statement for the period from the date of the first closing to the said accounting date shall be distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the lot and the name of the lot owner assessed.

10.1.3 A balance sheet as of the last day of the Homeowners Association's fiscal year and an operating statement for said fiscal year shall be distributed within ninety (90) days after the close of the fiscal year.

In the event a holder, insurer or guarantor of any first mortgage that is secured by a lot in the project submits a written request therefor, the Homeowners Association will provide an audit statement for the preceding fiscal year.

10.2 Fiscal year

The fiscal year of the Homeowners Association shall be designated by resolution of the Board. In the absence of such resolution, the fiscal year shall be the calendar year.

10.3 Inspection of Homeowners Association's Books and Records

The membership register, books of account and minutes of meetings of the members of the Board and of committees of the Board or Homeowners Association shall be made available for inspection and copying by any member of the Owner's Association or by his duly appointed representative at any reasonable time and for a purpose reasonably related to his interest as a member at the office of the Homeowners Association or at such other place within the project as the Board shall prescribe. Such inspection may take place on weekdays during normal hours following at least forty-eight (48) hours written notice to the Board by the member desiring to make the inspection. Any member desiring copies of any document shall pay the reasonable cost of reproduction. Every manager shall have the absolute right at any reasonable time to

inspect all books, records and documents of the Homeowners Association and the physical properties owned or controlled by the Homeowners Association. The right of inspection by a manager includes the right to make extracts and copies of documents.

ARTICLE 11 AMENDMENT OF BY-LAWS

These By-Laws may be amended by a vote or written assent of owners of at least seventy-five percent (75%) of the aggregate interest in the common elements as established by the Covenants, Conditions and Restrictions; provided, however, that each of the particular requirements set forth in 60 O. S. §§851 - 855, inclusive, as it now reads or may be hereafter amended shall always be embodied in the By-Laws. Such modification or amendment shall not become operative unless set forth in amended Covenants, Conditions and Restrictions and duly recorded in the office of the County Clerk of Oklahoma County, Oklahoma.

ARTICLE 12 MISCELLANEOUS PROVISIONS

12.1 Regulations

All owners, tenants or their employees or any other person that might use the facilities of the project in any manner are subject to the regulations set forth in these By-Laws and in the project documents and to all reasonable rules enacted pursuant to the Covenants, Conditions and Restrictions. Acquisition, rental or occupancy of any lot shall constitute acceptance and ratification of the provisions of all such rules and regulations.

12.2 Indemnity of Officers and Managers

Each director and officer shall be indemnified by the Homeowners Association against all expenses and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him by judgment or settlement in connection with any proceeding to which he may be a party or in which he may become involved by reason of his being or having been a manager or an officer of the Homeowners Association, except in cases of fraud, gross negligence or bad faith of the manager or officer in the performance of his duties.

12.3 Committees

The Board shall appoint a nominating committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

12.4 Notices

Any notice permitted or required to be given by the project documents may be delivered either personally or by mail or as otherwise specifically provided in the project documents. If delivery is by mail, it shall be deemed to have been given seventy- two (72) hours after a copy of the same has been deposited in the United states mail, postage prepaid, return receipt requested, addressed to each person at the current address or addressed to the lot of such person if no address has been given to the secretary; provided, however, that notice of regular or special meetings of members may be mailed without a return receipt.

ARTICLE 13
OBLIGATIONS OF THE HOMEOWNERS

13.1 Assessments

13.1.1 Monthly Assessments. Assessments shall be due monthly in advance on the first day of each month. After monthly assessments have been set by the Board of Directors, the Board of Directors shall prepare and deliver or mail to each owner an individual statement of the owner's monthly assessment; thereafter, monthly statements shall be prepared and delivered or mailed only in the event of a change in the monthly assessment, the levying of a special assessment or in the event an owner becomes delinquent in the payment of the monthly assessments.

The assessments made for common expenses shall be based upon the cash requirements deemed to be such aggregate sum as the Board of Directors determines is to be paid by all of the owners, including the Developer, to provide for the payment of all estimated expenses growing out of or connected with the maintenance, repair, operation, additions, alterations and improvements of and to the common elements, which sum may include, but shall not be limited to, expenses of management; taxes and insurance with extended coverage and vandalism and malicious mischief with endorsements attached issued in the amount of the maximum replacement value of all the common elements; casualty and public liability and other insurance premiums; landscaping and care of grounds; common lighting; repairs and renovations; removals of pollutants and trash collections; wages, utility charges for common elements; beautification and decoration; professional fees, including legal and accounting fees, management fees, expenses and liabilities incurred by the managing agent or Board of Directors on behalf of the owners under or by reason of the Covenants, Conditions and Restrictions and the By-Laws of the Homeowners Association; for any deficit arising or any deficit remaining from a previous period; the creation of a reasonable contingency fund, reserves, working capital and sinking funds as well as other costs and expenses relating to the common elements. In the event that cash requirements for common elements exceed the aggregate assessments made pursuant to this Article, the Board of Directors for the Homeowners Association may from time to time and at any time make pro rata increases or decreases in the monthly assessments. The omission or failure to fix the assessment for any period shall not be deemed a waiver, modification or a release of the owners from their obligation to pay the same.

13.1.2 Special Assessments. In addition to those monthly assessments described in paragraph 13.1.1, above, special assessments may be made from time to time by the Board of Directors to meet other needs or to construct or establish facilities deemed of benefit to the Homeowners Association and the owners by the Board of Directors or to overcome deficits in the monthly operating budgets; however, there shall be no special assessments for additions, alterations or improvements of or to the common elements requiring an expenditure by the Homeowners Association in excess of \$20,000.00 in any one calendar year without the prior approval of the majority of the owners. Such limitations shall not be applicable, however, to special assessments for the replacement, repair, maintenance or restoration of any common elements which are to be paid for by the Homeowners Association according to the Covenants, Conditions and Restrictions

and these By-Laws and shall not be applicable to the purchase, if any, by the Homeowners Association of a lot for use as an office by the Homeowners Association.

13.1.3 Owner's Personal Obligation for Payment of Assessments. The amount of total assessments against such lot shall be the personal and individual debt of the owner thereof. The Board of Directors shall have the responsibility to take prompt action to collect any unpaid assessment in accordance with the terms of the Covenants, Conditions and Restrictions.

ESTABLISHMENT OF BY-LAWS

We, the undersigned Developer and all of the managers appointed by the Developer, pursuant to the Covenants, Conditions and Restrictions and By-Laws, do hereby certify the foregoing to be the By-Laws of Gramercy Park Homeowners' Association and, by our signatures hereto, do hereby adopt the foregoing By-Laws as of the 28 day of MAY, 2003.

GRAMERCY PARK, L.L.C., an Oklahoma limited liability company

By: Bridgeport Development Group, LLC, Manager

By: [Signature]
Mark Livingston, Manager

ACKNOWLEDGMENT

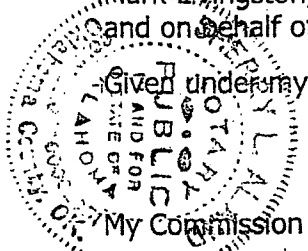
STATE OF OKLAHOMA)
) ss
COUNTY OF OKLAHOMA)

This instrument was acknowledged before me on the 28th day of May, 2003, by Mark Livingston, as Manager and on behalf of Bridgeport Development Group, LLC, as Manager and on behalf of Gramercy Park, L.L.C.

Given under my hand and seal the day and year last above written.

[Signature: Sherry L Alford]

Notary Public



My Commission Expires:

Mar 27, 2004

