

BY-LAWS
OF
BLUE STEM RIDGE ADDITION HOME OWNER'S ASSOCIATION, LLC

THE SECRETARY OF STATE
STATE OF OKLAHOMA

The undersigned persons, being legally competent to adopt Articles of Incorporation pursuant to the provisions of Title 18, Oklahoma Statutes Section 851 et seq. of the State of Oklahoma and the Amendments thereto, do hereby execute the following Articles of Incorporation for the purposes of forming a non-profit Limited Liability Company.

ARTICLE I

NAME OF LIMITED LIABILITY COMPANY

The name of this Limited Liability Company shall be: Blue Stem Ridge Addition Homeowner's Association, L.L.C. (hereinafter called the "Association").

ARTICLE II

REGISTERED ADDRESS

The registered office of the Association shall be located at 15200 S. Virginia, Oklahoma City, OK 73170.

ARTICLE III

REGISTERED AGENT

Jim W. McBride whose address is 15200 S. Virginia, Oklahoma City, Oklahoma 73170, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not afford pecuniary gain or profit, incidentally or otherwise to the members thereof, and the specific purposes for which it is formed are to provide for maintenance, preservation and control of the common areas within or adjacent to that certain tract of property described as follows:

Blue Stem Ridge Addition, an addition to the City of Moore, Cleveland County, Oklahoma, a part of the Southwest Quarter (SW/4) of Section Twenty-Seven (27), Township Ten (10) North, Range Three (3) West, I.M. Moore, Cleveland County, Oklahoma

and to promote the health, safety and welfare of the residences within the above described property and any additions thereto, as may be brought within the jurisdiction of this Association, by annexation, and for this purpose to:

(a) exercise all the powers and privileges and perform all the duties and obligations of the Association as set forth in that certain Declarants of Covenants, Conditions and Restrictions for Blue Stem Ridge Addition (hereinafter called the "Declaration") applicable to the property and recorded in the office of the County Clerk of Cleveland County, State of Oklahoma, and as the same may be amended from time to time, as therein provided, said Declaration being incorporated herein as if herein fully set forth:

(b) fix, levy, collect and enforce payment by any lawful means, of all charges or assessments pursuant to the terms of the Declaration: to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association:

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real personal property in connection with the affairs of the Association:

(d) borrow money, with the assent of two-thirds (2/3rds) of each class of members, to mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property, as security for money borrowed or debts incurred:

(e) dedicate, sell or transfer all or any part of the common areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3rds) of each class of members, agreeing to such dedication, sale or transfer, and is filed of record in the office of the County Clerk of Cleveland County, Oklahoma:

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purpose of annex additional property with common areas and that such merger, consolidation or annexation shall have the assent of two-thirds (2/3rds) of each class of members:

(g) have and exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Oklahoma, by law, may now or hereafter have or exercise:

(h) promote and encourage recreational activities among its members, including the possible installation, operation and maintenance of recreational activities or facilities as the Board of Directors may, from time to time, determine.

ARTICLE V

MEMBERSHIP

The Association shall have no capital stock, and shall not be operated for the benefit of any individual or person. Every person or entity who is a record owner of a fee or undivided interest in any single family residential covered by the Declaration and any future Declarations covering contiguous real property which is subject by covenants of record to assessment by the Association, including contract sellers, shall be members of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from the ownership of any lot which is subject to assessment by the Association.

ARTICLE VI

CLASSES OF MEMBERS AND VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A: Class A membership shall be all owners of lots within the property covered by the Declaration, with the exception of the Declarant, and shall be entitled to one (1) vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lots shall be exercised as they determine, but in no event shall more than one (1) vote be cast with respect to any lot.

Class B: The Class B member(s) shall be the Declarant. Blue Stem Development L.L.C. a Limited Liability Company, as defined in said Declaration, and shall be entitled to ten (10) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership upon the happening of either of the following events, which ever occurs earlier:

- (a) When the total votes outstanding in Class A membership equals the total votes outstanding in the Class B membership; or
- (b) On the 1st day of January, 2005.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by its Board of Directors, consisting of not less than three (3) nor more than nine (9) Directors, who need not be members of this Association. They shall be elected at the annual meeting of the members, and each Director shall be elected to serve until his or her successor shall be elected and shall quality. The names and addresses of the three (3) persons who are to act in the capacity of Directors until the selection of their successors at the first annual meeting are:

| <u>Name</u> | <u>Address</u> |
|-------------------|--|
| Marvin L. Haworth | 1824 SW 28th Street Moore, Oklahoma 73160 |
| Frankie McBride | 15200 S. Virginia Oklahoma City, Oklahoma 73170 |
| Jim W. McBride | 15200 S. Virginia Oklahoma City, Oklahoma 73170 |

At the first annual meeting after the voting rights of the members commence, the members shall elect three (3) Directors for a term of one (1) year, three (3) Directors for a term of two (2) years, and three (3) Directors for a term of three (3) years; and at each annual meeting thereafter, the members shall elect three (3) Directors for a term of three (3) years.

The Directors may hold their meetings and keep the books of the Association at the principal office of the Association or at such other place or places within or without the State of Oklahoma as they may, from time to time, determine.

In addition to the powers and authorities by these Articles expressly conferred upon them, the Directors may exercise all such powers of the association and do all such lawful acts and things as are not by the Statute or by these Articles of Incorporation or by the By-laws required to be done by the members.

Any Director, whether elected by members or appointed by the Directors, may be removed from office, with or without cause, at any time, by a majority of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board, and shall serve for the unexpired term of his or her predecessor.

Directors, as such, shall not receive any stated salary for their services, but by Resolution of the Board, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each meeting of the Board; provided that nothing herein contained shall preclude any Director from serving in any other capacity and receiving compensation thereof.

ARTICLE VIII

DISSOLUTION

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3rds) of each class of members. Upon dissolution of the Association, other than incident to merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to

be devoted to similar purposes in accordance with Section 864 of Title 18 of the Oklahoma Statutes

ARTICLE IX

DURATION

This Corporation shall exist for a period of fifty years.

ARTICLE X

AMENDMENTS

Amendments of these Articles shall require the assent of seventy-five percent (75%) of the entire membership of the Association.

ARTICLE XI

FHA/VA APPROVAL

As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration or the Veterans Administration: Annexation of additional property, merger and consolidations, mortgaging of common areas, dedication of common areas, dissolution and amendment of these Articles.

ARTICLE XII

INCORPORATORS

The names and addresses of the undersigned incorporators are as follows:

| <u>Name</u> | <u>Address</u> |
|-------------------|--|
| Marvin L. Haworth | 1824 SW 28th Street Moore, Oklahoma 73160 |
| Frankie McBride | 15200 S. Virginia Oklahoma City, Oklahoma 73170 |
| Jim W. McBride | 15200 S. Virginia Oklahoma City, Oklahoma 73170 |

IN WITNESS WHEREOF, for the purposes of forming this corporation under the laws of the State of Oklahoma, we the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 1st day of May, 2003.


Marvin L. Haworth
Marvin L. Haworth

Frankie A. McBride
Frankie McBride

Jim W. McBride
Jim W. McBride

STATE OF OKLAHOMA) SS:
CLEVELAND COUNTY)

The foregoing instrument was acknowledged before me this 1st day of May, 2003, by Marvin L. Haworth.


 MARTHA S. BREWSTER
Cleveland County
Notary Public in and for
State of Oklahoma
Commission # 02011099 Expires 8/3/06

Martha S. Brewster
Notary Public

My Commission Expires: 08-03-06

STATE OF OKLAHOMA) SS:
CLEVELAND COUNTY)

The foregoing instrument was acknowledged before me this 1st day of May, 2003, by Frankie McBride.


 MARTHA S. BREWSTER
Cleveland County
Notary Public in and for
State of Oklahoma
Commission # 02011099 Expires 8/3/06

Martha S. Brewster
Notary Public

My Commission Expires: 08-03-06

STATE OF OKLAHOMA) SS:
CLEVELAND COUNTY)

The foregoing instrument was acknowledged before me this 1st day of May, 2003, by Jim W. McBride.

 MARTHA S. BREWSTER
Cleveland County
Notary Public in and for
State of Oklahoma
Commission # 02011099 Expires 8/3/06

Martha S. Brewster
Notary Public

My Commission Expires: 08-03-06