

BYLAWS
OF
OAKLEY HOMEOWNER'S ASSOCIATION, INC.
A CORPORATION NOT-FOR-PROFIT

ARTICLE I. GENERAL

The provisions of this document constitute the Bylaws of OAKLEY HOMEOWNER'S ASSOCIATION, INC., hereinafter referred to as the Corporation, a corporation not-for-profit, organized existing under the State of Florida, which Bylaws shall be utilized to govern the management and operation of the Corporation.

ARTICLE II. OFFICES AND AGENCY

1. Registered Office and Registered Agent. The Registered office of the Corporation shall be located in the State of Florida at such place as may be fixed from time to time by the Board of Directors upon filing of such notices as may be required by law, and the registered agent shall have a business office identical with such registered office.

2. Principal Office. The initial principal place of business of the Corporation shall be 6421 Easy Goer Circle, Sarasota, Florida 34240, which principal place of business may be changed from time to time by the Board of Directors as provided in these Bylaws.

3. Other Offices. The Corporation may have other offices within or outside the State of Florida at such place or places as the Board of Directors may from time to time determine.

ARTICLE III. PURPOSE AND POWERS

1. The specific purpose for which the corporation is organized exclusively for charitable, religious, educational, and scientific purposes, including for such purposes, the making and distributions to organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.

2. The foregoing paragraph enumerates the specific purpose of the Corporation, but it is expressly provided hereby that such enumeration shall not be held to limit or restrict in any manner the purpose or powers of the Corporation permitted by law. Wherever a conflict arises between these Bylaws and the Declaration, the Declaration shall control.

ARTICLE IV. MEMBERS

1. Definitions of Members. Members are those individuals, corporation, partnerships, trusts of other legal entities having membership rights in accordance with the provisions of the Articles of Incorporation and these Bylaws.

2. Qualifications of Members. The qualifications of members shall be as set forth in the Declaration of Covenants, Conditions and Restrictions for Oakley Subdivision as recorded in O.R. Book _____ Page _____ of Public Records of Manatee County, Florida as from time to time amended. ("Declaration").

3. Manner of Admission. Members shall be admitted to membership in the Corporation pursuant to Article 3 of the Declaration.

4. Assessments. Membership shall be nonassessable. PROVIDED HOWEVER, nothing contained in these bylaws shall restrict, modify or amend the right of the Association to assess Owners or Lots as set forth in the Declaration.

5. Transferability of Membership. Membership in this Corporation is nontransferable and nonassignable except as specifically set forth in the Declaration.

6. Restrictions of Rights. No Member shall speak for the Corporation to the news media without specific express authority from the Board of Directors.

7. Termination of Membership. Membership in the Corporation shall be terminated upon:

- (a) Death of a Member;
- (b) The transfer of ownership in the Lot; or
- (c) Any other act which terminates membership under the Declaration.

ARTICLE V. MEMBERS' MEETINGS

1. Annual Meetings. The annual meeting of the members shall be held in November of each year, or at such other time and place as the Board of Directors shall direct, but in no event shall it be held later than 13 months after the previous meeting each year.

2. Special Meetings.

- (a) During the time that Developer Members have more votes than Regular Members, the Board may have special meetings from time to time, with or without notice. After Developer Membership is terminated, special meetings of the members may be called by either of the following:

- (1) The Board of Directors.
- (2) The President.

(3) Upon petition signed by twenty-five percent (25%) of the Regular Members.

(b) No business other than that specified as the purpose in the notice of the special meeting shall be discussed or translated at such special meeting.

3. Place of Meeting. Meeting of members shall be held at the principals place of business of the Corporation or at such other place, either within or without the State of Florida as the Board of Directors may from time to time designate.

4. Notice of Meetings. Written or printed notice stating the place, day and hour of any annual or special meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, unless waived, must be given to each member not less than ten (ten) nor more than thirty (30) days before the date of the members' meeting by or at the direction of the president, the Secretary or other persons calling the meeting. Notice to members must be given personally, by first class mail, by hand delivery, by communication equipment or by posting notice on the message board in the Subdivision; and if mailed, the notice will be deemed to be given when deposited in the United States mail addressed to the member at his address as it appears on the records of the Corporation, with postage prepaid. Notice shall be deemed waived by any member who is present at the meeting for which notice was not provided as set forth herein.

5. Quorum. There shall be no specified number or percentage of members required in order to obtain a quorum at any meeting of the members. The members present in person at the meeting shall constitute a quorum, and the vote of a majority of those members shall be necessary for the adoption of any matter voted on by the members, unless a greater proportion is required by law, the Articles, these Bylaws, or the Declaration.

6. Voting. For purposes of voting rights, there shall be two types of members: Regular Members and Developer Members. Voting rights shall be as set forth in the Declaration. Each Regular Member present at either a special or annual meeting shall be entitled to one (1) vote on each matter submitted to a vote of the members for each Lot in which such member holds a required ownership interest in the Lot, subject to all the covenants and restrictions set forth in the Declaration; provided however, this voting right shall not be so construed or interpreted such as to require a membership vote on any matter regarding the operation or activities of the Corporation, unless so specifically required by the Declaration, excepting the election of members to the Board of Directors, it being understood that the management of the business and affairs of the Corporation is vested in the Board of Directors and this voting right is being extended to the members for the sole purpose of their providing an expression of opinion on those matters presented to them by the Board of Directors, said expression being referred to as the members Consensus. There shall be no proxy voting for Regular Members.

ARTICLE VI. DIRECTORS

1. Function. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors, hereinafter referred to as the Board.

2. Qualification of Directors. Except as otherwise provided herein or in the Declaration, the qualifications for becoming and remaining a director of this Corporation are as Follows:

- (a) Directors must be residents of the State of Florida.
- (b) Directors must be members of this Corporation.
- (c) Directors must be persons who are competent to contract.

3. Duties of Directors.

- (a) A director shall be expected to attend meetings, whether regular or special, of the board and any committee of the Board to which the director has been appointed.
- (b) A director shall perform his or her duties as a director, including duties as a member of any committee of the Board upon which he or she may serve, in good faith, in a manner he or she reasonably believes to be in the best interests of the Corporation, and with such care as an ordinarily prudent person in a like position would use under similar circumstances.
- (c) In performing such duties, a director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:
 - (1) One or more officers or employees of the Corporation whom the director reasonably believes to be reliable and competent in the matters presented;
 - (2) Counsel, public accountants or other persons as to matters which the director reasonably believes to be within such person's professional or expert competence; or
 - (3) A committee of the Board upon which the director does not serve, duly designated in accordance with a provision of the Articles of Incorporation or these Bylaws, as to matters within its designated authority, which committee the director reasonably believes to merit confidence.

- (d) A director shall not be considered to be acting in good faith if he or she has knowledge concerning the matter in question that would cause such reliance described above to be warranted.
- (e) A person who performs the duties of a director in compliance with this section shall have no liability by reason of being or having been a director of the Corporation.

4. Number. The number of directors of the Corporation shall be four (4). This number may be increased or decreased from time to time by amendment to these Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director and in no event shall there be less than three (3) directors.

5. Election and term.

- (a) Each person named in the Articles of Incorporation as a member of the initial Board shall hold office until the first annual meeting of the members as set forth herein and shall serve until his or her successor shall have been elected and qualified or until his or her earlier resignation, removal from office or death.
- (b) At the first annual meeting and each meeting thereafter during which the Developer Members have more votes than the Regular Members, the Developer Members shall have the right to designate, appoint and remove the members of the Board. The Directors so designated by Developer Members of the Association. The Developer may waive its right to designate any one or more Directors whereupon Directors shall be designated as provided hereinafter.
- (c) At such time as Developer Members waive its right to designate one or more Directors, or after such time as control of the Association is turned over to the Regular Members, a majority of the Regular Members then present shall elect Directors to serve for a term of three (3) years or for such other term as the members may designate.
- (d) Each director shall hold office for the term for which he or she is elected and until his or her successor shall have been elected and qualified or until his or her earlier resignation, removal from office or death.

6. Removal of Directors.

- (a) Any director who fails to attend three (3) consecutive meetings, whether regular or special, of the Board without excused absence, may be removed from the Board by a vote of a majority of the remaining members of the

Board, though less than a quorum of the Board. For purposes of this subsection (a), the nature of an absence, whether excused or unexcused, shall be determined by the President of the Corporation; provided, however, any absence deemed by the President to be unexcused shall be submitted to the Board (without the affected director being entitled to a vote) for its determination of the nature of the absence, which determination shall be final and binding on all parties concerned.

- (b) At a special meeting of the Board called expressly for that purpose, any director may be removed from the Board with or without cause by a vote of two-thirds of the remaining members of the Board, through less than a quorum of the Board.
- (c) Any removal of a director from the Board shall be without prejudice to any contract rights of the director so removed.

7. Resignation of Directors. A director may resign from the Board by providing written notification of such resignation to the President of the Corporation, and such resignation shall become effective immediately upon receipt by the President of said written notification or at such later date as may be specified in the notification.

8. Vacancies. Any vacancy occurring in the membership of the Board, including any vacancy created by reason of an increase in the number of directors, may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board. A Director so elected shall hold office until the next election of directors.

ARTICLE VII. DIRECTORS' MEETINGS

1. Annual Meetings. The annual meeting of the Board shall be held without notice immediately after the annual meeting of the members.

2. Special Meetings. Special meetings of the Board may be called at any time by the president of the corporation or by any two (2) directors.

3. Place of Meetings. Meetings of the Board shall be held at the principal place of business of the Corporation or at such other place, either within or without the State of Florida, as the directors may from time to time designate; provided, however, no such meeting shall be held outside the State of Florida if at least two (2) directors object in writing not less than three (3) days before such meeting. A Director may attend a meeting by telephone conference call.

4. Notice of Meeting. Written or printed notice stating the place, day and hour of any special meeting of the Board must be given to each director not less than ten (10) nor more than thirty (30) days before the directors' meeting, by or at the direction of the President, the Secretary or other persons calling the meeting. Notice must be given either

personally or by telegram, cablegram or first class mail; and if mailed, the notice shall be deemed to be given when deposited in the United States mail addressed to the director at the address which appears in the records of the Corporation, with postage thereon prepaid. Except as otherwise specified in these Bylaws, the notice need not specify the business to be transacted at, nor the purpose of, any meeting.

5. Waiver of Notice. A written waiver of notice signed by any director, whether before or after any meeting shall be equivalent to the giving of notice to said director. Attendance of a director at a meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director attends a meeting for the express purpose, as stated at the beginning of the meeting, of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of the directors need be specified in any written waiver of notice.

6. Presumption of Assent. A director of the Corporation who is present at a meeting of the Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless the director votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

7. Adjourned Meeting. A majority of the directors present, whether or not a quorum exists, may adjourn any meeting of the Board to another time or place. Notice of any such adjourned meeting shall be given to the directors who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors.

8. Quorum. Fifty percent (50%) of the number of directors fixed by these Bylaws shall constitute a quorum for the transaction of business at any meeting of the members of the Board.

9. Voting.

(a) Each director present at any meeting of the Board shall be entitled to one (1) vote on each matter submitted to a vote of the directors; provided, however, proxy voting shall be permitted.

(b) A majority vote by the directors present at a meeting of the Board at which a quorum is present shall be the act of the Board unless a greater number is required under the provisions of the Articles of Incorporation of the Corporation or any provisions of these Bylaws.

10. Action Without a meeting.

- (a) By written Consent. Any action required or which may be taken without a meeting is a consent in writing, setting forth the action so to be taken, shall be signed by all of the directors. Such consent shall have the same effect as a unanimous vote.
- (b) By Communications Equipment. Any action required or which may be taken at a meeting of directors at which proper notice or a waiver thereof has been given pursuant hereto may be taken by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear other at the same time.

ARTICLE VIII. COMMITTEES

1. Function. Committees shall serve in an advisory capacity to the Board and shall make specific recommendations to the Board regarding those aspects of the business and affairs of the Corporation to which they have been delegated responsibility.

2. Types of Committees. The Board, by resolution adopted by a majority of the full Board, may appoint such standing committees or ad hoc committees as it deems necessary from time to time.

3. Committee Powers. Any committee shall have and may exercise all the authority granted to it by the Board, except that no committee shall have the authority to:

- (a) Fill vacancies on the Board or any committee thereof;
- (b) Adopt, amend or repeal the Bylaws;
- (c) Amend or repeal any resolution of the Board;
- (d) Act on matters committed by Bylaws or resolution of the Board to another committee of the Board.

4. Appointment and term.

- (a) The Board, by resolution adopted by a majority of all members of the Board, shall appoint from among its members:
 - (1) Those directors who shall serve on each committee.
 - (2) That member of each such committee who is to act as chairperson thereof.
- (b) The chairperson and members of each committee shall be initially appointed at any meeting of the Board, and, thereafter shall be appointed

at the annual meeting of the Board. Said appointees shall take office on the day of such Board meeting each year and shall hold office until the next annual meeting of the Board and until their successors shall have been appointed or until their earlier resignation, removal from office or death.

5. Removal of Committee Members. The Board may remove a chairperson or a member of any committee, and the chairperson of a committee may remove any member of a committee. Any such removal may be made with or without cause.

6. Resignation of Committee Members. A committee member may resign from any committee by providing written notification of such resignation to the chairperson of the committee and to the President of the Corporation, and any such resignation shall become effective immediately upon receipt by the President of said written notification or at such later date as may be specified in the notification.

7. Vacancies. Any vacancy occurring in the membership of any committee may be filled by the Board.

ARTICLE IX. COMMITTEE MEETINGS

1. Regular Meetings. Regular meetings of each standing committee shall be held, as determined by the chairperson of the committee, at any time during the two (2) calendar weeks preceding the week of any regular meeting of the Board. There shall be no regular meeting of an ad hoc committee unless established by the chairperson of said committee.

2. Special Meetings. Special meetings of any standing or ad hoc committee may be called at any time by the chairperson of the committee or by any two (20 members thereof.

3. Place of Meeting. Committee meetings shall be held at the principal place of business of the Corporation or at such other place, either within or without the State of Florida, as the chairperson of the committee may from time to time designate; provided, however, no such meeting shall be held outside the State of Florida if at least two (2) committee members object in writing not less than one (1) day before such meeting. Members may attend a meeting by telephone conference call.

4. Notice of Meeting. Written, printed or oral notice stating the place, day and hour of any regular or special meeting of the Committee must be given to each committee member not less than three (3) nor more than thirty (30) days before the committee meeting, by or at the direction of the chairperson, of the committee, or other persons calling the meeting. Notice must be given either personally or by telegram, cablegram or first class mail; and if mailed, the notice shall be deemed to be given when deposited in the United States mail addressed to the committee member at his address, as it appears in the records of the Corporation, with postage thereon prepaid. Except as otherwise

specified in these Bylaws, the notice need not specify the business to be transacted at, nor the purpose of, any meeting.

5. Waiver of Notice. A written waiver of notice signed by any committee member, whether before or after any meeting shall be equivalent to the giving of notice to said committee member. Attendance of a committee member at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a committee member attends a meeting for the express purpose, as stated at the beginning of the meeting, of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual, regular or special meeting of a committee need be specified in any written waiver of notice.

6. Presumption of Assent. A committee member who is present at a committee meeting at which action on any matter is taken shall be presumed to have assented to the action taken unless the committee members votes against such action or abstains from voting in respect thereto because of an asserted conflict of interest.

7. Adjourned Meeting. A majority of the committee members present, whether or not a quorum exists, may adjourn any meeting of a committee to another time or place. Notice of any such adjourned meeting shall be given to the committee members who were not present at the time of the adjournment and, unless the time and place of the adjourned meeting are announced at the time of the adjournment, to the other directors.

8. Quorum. A majority of the number of members of any committee shall constitute a quorum for the transaction of business at any committee meeting.

9. Voting.

- (a) Each committee member present at any meeting of a committee shall be entitled to one (1) vote on each matter submitted to a vote of the committee members; provided, however, proxy voting shall be permitted.
- (b) A majority vote by the committee members present at a committee meeting at which a quorum is present shall be the act of the committee unless a greater number is required under any provisions of these Bylaws.

10. Action Without a meeting.

- (a) By written Consent. Any action required or which may be taken at a committee meeting may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed by all of the members of the committee. Such consent shall have the same effect as a unanimous vote.

- (b) By Communications Equipment. Any action required or which may be taken at a meeting at a committee may be taken by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

ARTICLE X. OFFICERS

1. Designation. The officers of this Corporation shall consist of a President, one or more Vice-Presidents (if determined to be necessary by the Board of Directors), a secretary and a treasurer. The Corporation shall also have such other officers, assistant officers and agents as may be deemed necessary or appropriate by the Board from time to time. Any two or more officers may be held by the same person. The failure to elect a President, Vice-President, Secretary or Treasurer shall not affect the existence of this Corporation.

2. Duties. The officers of this Corporation shall have the following duties:

- (a) President. The President shall be the chief executive officer of the Corporation, shall have general and active management of the business and affairs of the Corporation subject to the directions of the Board and shall preside at all meetings of the members and Board.
- (b) Vice-President. In the absence of the President or in the event of his or her death, inability or refusal to act, the Vice-President (or in the event there be more the one Vice-President, the Vice-President in the order designated at the time of their election) shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice-President shall perform such duties as from time to time may be prescribed by the President or by the Board.
- (c) Secretary. The Secretary shall have custody of, and maintain, all of the corporate records except the financial records; shall record the minutes of all meetings of the Board; send out all notices of meetings; and perform such other duties as may be prescribed by the Board or the President.
- (d) Treasurer. The Treasurer shall have custody of all corporate funds and financial records, shall keep full and accurate accounts of receipts and disbursements and render accounts thereof at the annual and regular meetings of the Board and whenever else required by the Board or the President, and shall perform such other duties as may be prescribed by the Board or the President.

3. Election and term.

- (a) Each person named as an officer in the Articles of Incorporation shall hold office until the first annual meeting of the Board and until his or her successor shall have been elected and qualified or until his or her earlier resignation, removal from office or death.
- (b) At each annual meeting of the Board, a majority of the members then in office shall elect the officers of the Corporation for the ensuing year. The Board may elect the same person to fill any two or more offices, and the failure to elect a President, Vice-President, Secretary, or Treasurer shall not affect the existence of the Corporation.
- (c) Each officer shall hold office for the term of one (1) year and until his or her successor shall have been elected and qualified or until his or her earlier resignation, removal from office or death.

4. Removal of Officers. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interest of the Corporation will be served thereby.

5. Resignation of Officers. Any officer or agent elected or appointed by the Board may resign such office by providing written notification of such resignation to the President (or if the President is resigning, to the Vice-President) of the Corporation, and such resignation shall become effective upon acceptance of same by the Board.

6. Vacancies. Any vacancy, however occurring, in any office, may be filled by the Board.

ARTICLE XL INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

1. Indemnification for Actions, Suits or Proceedings.

- (a) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, against expense (including attorneys' fees and attorneys' fees on appeal), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, including any appeal thereof, if such

person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe this conduct was unlawful. The adverse termination of any action, suit or proceeding by judgment, order, settlement, equivalent, shall not of itself create a presumption that the person did not act in good faith and in a manner in which he or she reasonably believed to be in or not opposed to the best interest of the Corporation, and with respect to any criminal action or proceeding, had a reasonable cause to believe that such conduct was unlawful.

- (b) The Corporation shall indemnify any person who was or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director or officer of the Corporation, or is or was serving at the request of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees and attorneys' fees on appeal) actually in reasonably incurred in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believe to be in or not opposed to the best interest of the Corporation; provided, however, that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudge to be liable for negligence or misconduct in the performance of his or her duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is firmly and reasonably entitled to indemnity for such expenses which such court shall deem proper.
- (c) To the extent that a director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b), or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees and attorneys' fees on appeal) actually and reasonably incurred in connection therewith.
- (d) Any indemnification under subsections (a) or (b) (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in subsections (a) or (b). Such determination shall be made:

- (1) By the Board by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding; or
 - (2) If such a quorum is not obtainable, or even if obtainable, a quorum of disinterested directors so directs by independent legal counsel in a written opinion; or
 - (3) By the members.
- (e) Expenses (including attorneys' fees and attorneys' fees on appeal) incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in subsection (d) upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that such person is entitled to be indemnified by the Corporation as authorized in this section.

2. Other Indemnification. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any Bylaw, agreement, vote of the members or disinterested directors, or otherwise, both as to actions in such person's official capacity and as to actions in another capacity while holding such position and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

3. Liability Insurance. Upon the majority vote of a quorum of the Board, the Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation, as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation shall have indemnified such person against such liability under the provisions of this Article XII.

ARTICLE XII. BOOKS, RECORDS AND FINANCES

1. Fiscal Year. The fiscal year of the Corporation shall end each year on the last day of the month during the month of December.

2. Books and Records.

- (a) This Corporation shall keep correct and complete books and records of accounts and shall keep minutes of the proceedings of its members, its Board and its committee.
- (b) This Corporation shall keep at its registered office or principal place of business, a record of its members and directors, giving the names and addresses of all members and directors.
- (c) Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

3. Funds.

- (a) All funds received by the Corporation shall be credited to Oakley Subdivision Homeowner's Association, Inc., and placed in depositories approved by the Board.
- (b) The authorized signers on all depository accounts shall be the President, Vice President, treasurer, and Secretary of the Corporation. All checks shall be signed by two authorized signers.

4. Financial Information.

- (a) Not later than four (4) months after the close of each fiscal year, the Board shall have prepared a balance sheet showing in reasonable detail the financial condition of the Corporation as of the close of its fiscal year, a profit and loss statement showing the results of the operations of the Corporation during its fiscal year and a statement of cash flows for that year.
- (b) The financial statements shall be filed in the registered office of the Corporation in this state, and shall be kept for at least five (5) years.

5. Directors' Inspection Rights. Any director, upon written demand stating the purpose thereof, shall have the right to examine, in person or by agent or attorney, at any reasonable time or times, for any proper purpose, the relevant books and records of accounts, minutes and records of the Corporation and to make extracts therefrom.

ARTICLE XIII. NON-PROFIT OPERATIONS

This Corporation will not have or issue shares of stock. No dividend will be paid, and no part of the income of this Corporation will be distributed to its members, directors or officers. However, the Corporation may pay compensation in a reasonable amount to members, officers or directors for services rendered.

ARTICLE XIV. CORPORATE SEAL

The Board shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation, the state of incorporation and the year of incorporation.

ARTICLE XV. MODIFICATION OF BYLAWS

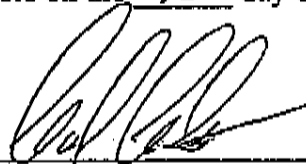
The Board shall have the power to adopt additional Bylaws or to alter, amend, and repeal the Bylaws of this Corporation; provided, however, that written notice of the specific change has been furnished to all Directors at least ten (10) days prior to its consideration by the Board.

ARTICLE XVI. AMENDMENT OF ARTICLES OF INCORPORATION

The power to alter, amend or repeal the Articles of Incorporation of this Corporation is vested in the Board and may be exercised as follows:

- (a) A Resolution setting forth the proposed change may be submitted to the directors at a Board meeting, if notice of the changes to be made is given, and shall be adopted on receiving the affirmative vote of a majority of the directors entitled to vote thereon.
- (b) All the directors of the Corporation eligible to vote may sign a written statement manifesting their intention that the change be adopted.

Adopted by the Corporation's Board of Directors on the 30 day of MARCH, 1995.



Carl Clayton, President