BY-LAWS OF THE APARTMENT ASSOCIATION OF CENTRAL OKLAHOMA

ARTICLE I
NAME, OFFICE AND PURPOSE

Section 1. NAME. The name of the organization is the Apartment Association of Central Oklahoma (herein "AACO" or "the Association").

Section 2. PRINCIPAL OFFICE. The principal office of the AACO shall be located in Oklahoma City, Oklahoma. The Board of Directors (herein "the Board") has the authority to change the location of the principal office.

Section 3. PURPOSE. These By-Laws are for the government of the AACO and its members to promote and aid the carrying out of its purposes as set forth in the Articles of Incorporation and to achieve the objectives set forth herein.

ARTICLE II
FISCAL YEAR

The Fiscal year for the Association shall be January 1st of each year through December 31st of each year.

ARTICLE III
OBJECTIVES

Section 1. The objective of the Association shall be to operate without profit as an Affiliated Association of the National Apartment Association.

Section 2. To advocate and encourage constant improvement of techniques in ownership and management within the multifamily housing industry.

Section 3. To establish, promote and enforce a Code of Ethics for the purpose of maintaining high professional standards and sound business practices among the membership of the Apartment Association of Central Oklahoma.

Section 4. To cooperate with other trade associations in all matters relating to the advancement of the multifamily housing industry.

Section 5. To issue such publications as may be necessary to inform the members, other affiliated groups, and the general public of the value of the association.

ARTICLE IV
MEMBERSHIP

Section 1. Membership in the Association shall be open to any person, firm or corporation who shall agree to abide by the by-laws of the Association and who shall fulfill requirements of one or more of the following classifications for membership.

Section 2. OWNER OR MANAGEMENT MEMBER. An owner or managing agent of multifamily housing located within Oklahoma County and/or its contiguous counties not in the jurisdiction of other local Apartment Associations.

Section 3. SUPPLIER MEMBER. A supplier of goods and/or services to the multifamily housing industry.

Section 4. APPLICATION FOR MEMBERSHIP. Application for membership shall be made in writing on a form approved by the Association accompanied by a tender of payment of the candidate's first year membership dues.

Section 5. In order to be considered for membership and in order to remain a member in good standing, supplier members of the Association shall pay base dues and owner/manager members of the Association shall pay base dues and per unit dues for all eligible units under their control or management. An eligible unit consists of an eligible property located within Oklahoma County and its contiguous counties which is owned or managed by an owner/manager member of the association. Eligible units may be exempt from assessment upon proper application, for good cause shown, and upon approval by two thirds (2/3) vote of those Directors present, in good standing and voting of the Board of Directors at any regular or special meeting of the Board. Eligible units acquired throughout the year shall be billed as reported to the Association.

ARTICLE V
DUES AND ASSESSMENTS

Section 1. MEMBERSHIP DUES. Membership dues, and other charges or assessments shall be at such rates as are established by the Board of Directors.

Section 2. PRORATED DUES. Dues for those members joining the Association in the quarters succeeding the first quarter of the calendar year shall be prorated for the balance of the current year and credit shall be applied towards the next full year.

Section 3. In order to be considered for membership, or for a membership to continue from year to year, supplier members of the Association shall pay base dues and owner/manager members must pay base dues rate, as established by the Board of

Directors, for their management or owner company and all per unit dues for all eligible units under their control at the time of new membership or renewal.

Section 4. Additional assessments may be made by the Board of Directors, subject to the consent of the majority of the members against whom such an assessment is to be made.

ARTICLE VI
TERMINATION OF MEMBERSHIP

Section 1. Any member whose dues for any annual period are not paid in full within sixty days after becoming due and payable and has received a thirty (30) day written request by certified mail for payment and/or explanation of the arrearage may be dropped from the rolls by a vote of two thirds (2/3) of those Directors present, in good standing, and voting at any regular or special meeting of the Board of Directors. Members desiring reinstatement, must pay a full year's membership dues in advance and must bring any other amounts then due the Association current prior to reinstatement.

Section 2. Any member who is delinquent in the payment of any other amounts due the Association, other than membership dues, for a period of sixty days and has received a thirty (30) day written request by certified mail for payment and/or explanation of the arrearage, shall be subject to expulsion by a two thirds (2/3) vote of Directors present, in good standing, and voting at any regular or special meeting of the Board of Directors. If such member is removed from membership in the Association any remaining portion of membership dues shall be applied to such indebtedness. Member desiring reinstatement, must pay all amounts then due the Association and must also pay one full years membership dues prior to reinstatement.

Section 3. The Board may also terminate or suspend any member for conduct in violation of any provision of the By-Laws and/or Code of Ethics.

A. The Board shall give the member who is the subject of the proposed disciplinary action thirty (30) days prior written notice of the proposed termination or suspension and the reason(s) therefore. The member may submit a written statement to the Board regarding the proposed action not less than five (5) days prior to the effective date.
B. Prior to the effective date of the proposed suspension or termination, the Board shall review any such statement submitted and shall determine the mitigating effect, if any, of the information.
C. The Executive Officer shall notify the member against whom the charges have been filed and the member making the complaint, of the actions taken by the Board with respect to the complaint upon which the Board has taken action of the action(s) taken by the Board.
D. In cases of disciplinary action, the Board may either dismiss the complaint, suspend the offending member for a period of up to one (1) year, expel the offending member, or take other action as the Board may deem advisable. The

Board may, it its discretion, conduct a hearing before it on any complaint. The member against who the charges have been filed may also request a hearing.

E. The vote of two thirds (2/3) of the Board of Directors present, in good standing, and voting shall be required to reinstate any member who has been expelled or suspended pursuant to the provisions of this section. The decision of the Board shall be final.

ARTICLE VII
MEETINGS

Section 1. ANNUAL MEETING. There shall be an annual meeting of the members of the Association at such time and place as the Board may determine. The purpose of this meeting shall be to elect directors and for such other business as may come before the meeting.

Section 2. GENERAL MEMBERSHIP MEETINGS. There shall be no less than six (6) Regular meetings of the Association. Nonmembers may attend as guests at price determined by staff no less than price paid by members. Regular meetings shall be held at such times and places as the Board may designate.

Section 3. SPECIAL MEETINGS. Special meetings of the membership may be called by the Board of Directors, the Executive Committee or upon petition of twenty (20) or more members provided that at least twenty (20) days written notice be given to each member of the Association. Notice shall be deemed to have been given if published in the Association's monthly newsletter, by notice deposited in the mails, by facsimile or by e-mail. The effective date of notice shall be the date any such notice is deposited in the U.S. Mail, faxed or e-mailed.

Section 4. VOTING. Each member in good standing, or his designated proxy, present at Membership Meetings shall be entitled to one vote. Voting may be done electronically. To be considered a member in good standing, all annual membership dues and all other amounts due the Association shall have been paid through the date of any such meeting.

Section 5. QUORUM. A quorum of the Association shall consist of twenty-five percent (25%) of the voting members, provided proper notice has been given to each member in advance of such meeting. A majority vote of the members present at any annual, regular or special meetings shall govern any action.

Section 6. PROXY. Voting and other special action granted to members shall be permitted to his designated proxy provided such proxy is officially registered in the Association Office as required by law.

Section 7. ABSENTEE. No absentee voting shall be valid.

ARTICLE VIII
GOVERNING BODY

Section 1. BOARD OF DIRECTORS. The administration of the affairs of the Association shall be vested in a Board of Directors consisting of thirteen (13) members, all of who shall belong to the Association in good standing, and who shall be elected by the General Membership. Only one individual from any Company may serve as a member of the Board of Directors at any one time. In addition, the immediate Past President of the Association shall serve as a member of the Board of Directors without full voting privileges. Eight (8) members of the elected Board shall consist of Owner/Management Members. Five (5) of the elected Board shall consist of Supplier Members including four regular term Directors plus the current Chairperson of the Supplier Council who ***will serve a term equal to their term as the Supplier Council Chairperson. If the Chairperson of the Supplier Council is a current member of the Board of Directors already serving a three year term, an alternate may be selected by the Supplier Council Board of Directors, and would be made from active Supplier members with the approval of the AACO Board of Directors.***
Any member of the Association who is elected an officer or director of the State or National Association, but who is not then serving as a director of this Association shall be invited to attend and participate in meetings of the Board of Directors but shall not be eligible to vote. ***Excluding the exception for the Chairperson of the Supplier Council, there shall be no alternate directors and each Director shall serve a three year term.***

Section 2. ELECTION OF THE BOARD. Directors shall be elected to serve for a term of two (2) years. Each year, at the appropriate meeting of the membership, the expiring director positions shall be elected to and filled to serve beginning January 01 of the upcoming year. Each member qualified to vote shall have one (1) for each vacancy. Directors shall be elected on the basis of those receiving the greatest number of votes. Votes will be by written ballot unless there is only (1) nominee for each vacancy on the Board in which case the Secretary shall be instructed to cast a unanimous ballot for all the nominees.

Section 3. NOMINATING COMMITTEE. There shall be a nominating committee composed of the immediate past President of the Association, if available, and if not, some other member to be appointed by the President, who shall serve as chairperson, and six (6) other members, three (3) of whom shall be elected by the Board of Directors at the appropriate board meeting and three (3) of who shall be nominated and elected by the General Membership at the time appropriate general meeting, the latter three must not be Directors. Additionally, any director whose term is expiring and who is eligible for re-nomination to the Board may not serve as a member of the nominating committee. If insufficient nominations are received the President may appoint members to complete the nominating committee. The chairperson shall vote only in case of a tie.

The nominating committee shall meet and select the nominees for the expiring positions for the Board of Directors whose names shall be reported to the President in sufficient time for a written notice to be delivered to the membership at least ten (10) days prior to the appropriate membership meeting, when the election of Directors shall be held. Additional nominations for Directors may be made from the floor at the appropriate Membership meeting, when the election of Directors shall be held. Only members in good standing may nominate and vote and or be elected to the Board of Directors of The

Association. Voting members will be determined by the current membership list. The nominating committee shall not re-nominate directors who have been elected two (2) consecutive terms nor more than one (1) director from the same firm, company or business affiliation unless one of the two is the immediate past president. The past president would not have voting privileges. Directors who have served two (2) consecutive terms may be re-nominated after one (1) year absence for the Board.

Section 4. VACANCIES. ***Vacant positions occurring in a Directors position may be filled by appointment of the remaining Board of Directors for the unexpired term of vacant positions.*** <u>***A director so appointed may be elected to serve as a duly elected member of the Board subject to the two-term limit established in these by-laws.***</u>

Section 5. ABSENCES. The duly appointed executive officer of the Association shall maintain a record of attendance of Directors at regularly scheduled meetings of the Board and general membership meetings. With the exception of the immediate past president, in the event a member of the Board of Directors should be absent three consecutive absences from regularly stated meetings, the Board of Director shall be removed as a member of the Board With the exception of the immediate past president, in the event a member of the Board of Directors should be absent three consecutive absences from general membership meetings, the Board of Director shall be removed as a member of the Board Members may be granted a reprieve from the three (3) absence rule by requesting special consideration in writing from the remaining Board Members. Upon proper application, and upon approval by two thirds (2/3) vote of those Directors present, in good standing and voting of the Board of Directors at any regular or special meeting of the Board, the Board Member may be granted permission to remain on the Board. Payment of meeting's bills does not constitute attendance.

Section 6. BOARD MEETINGS. Regular meetings of the Board of Directors shall be held at least five times per year.. Such meeting shall be held at such time and place as shall be designated by the President of the Association.

Section 7. SPECIAL BOARD MEETINGS. Special meetings of the Board of Directors may be called by the President or the Executive Committee. The President shall call a special meeting within twenty (20) days after presentation to the President of a petition signed by not less than seven (7) Members.

Section 8. NOTICE. Notice of regular and special meetings shall be given in writing to each director showing the date, hour and place of meeting at least ten (10) days in advance of such meeting.

Section 9. QUORUM. A quorum of the Board of Directors at any regular or special meeting of which proper notice has been given shall consist of a majority of the directors. Voting by proxy shall not be permitted and each director shall have one vote for all purposes. The majority vote of the directors present at any such meeting where a quorum is present shall control any action taken.

Section 10. POWERS OF APPOINTMENT. The Board of Directors may appoint or employ from within or without the membership of the Association such committees, representative, agent or employees for such purposes and such terms as it may deem necessary, proper or useful in carrying out the objects and purposes of the Association, or it may delegate such power and authority to an officer of officers of the Association. All such appointments, employments and delegations of power and authority may be terminated at any time with or without cause by the Board of Directors.

Section 11. EXECUTIVE DIRECTOR/EMPLOYEES. The Board of Directors may employ an Executive Director who may serve as the Chief Administrative Officer of the Association and other such employees as the Board may deem necessary to carry on the business of the Association as instructed by the Board of Directors. The Executive Director shall keep accurate records and accounts of all Association functions and shall be directly responsible to the Board of Directors in the discharge of all duties.

Section 12. CHANGE IN EMPLOYMENT. In the event an Officer or Director, while serving his/her term, shall become unemployed for whatever reason, the Officer or Director shall have 30 days active grace period in which to gain employment with an AACO member of the same category in good standing. In the event the Officer or Director is unable to gain employment with a current member company within 30 days, the Officer or Director position shall become vacant. The vacancy shall be presented for replacement to the member in good standing for which the Officer or Director was previously employed in accordance with Section 4. If that member does not present a replacement immediately the position shall be open for replacement according to Section 4.

ARTICLE IX
OFFICERS

Section 1. EXECUTIVE COMMITTEE. The officers of the corporation shall consist of an Executive Committee elected by the Board of Directors. The Executive Committee shall consist of a President, Vice President/President Elect, Secretary and Treasurer. The officers of the Executive Committee shall serve for a term of one (1) year. Election of these officers shall be the first order of business at the appropriate board meeting. Election shall be by secret written ballot. Only owner/manager members of the Board shall serve as President and Vice President/President Elect of the Association.

Section 2. DUTIES OF THE PRESIDENT. The President shall preside at all meetings of the Association, the Board of Directors and the Executive Committee and shall have such duties, powers and authorities as are usually incident to the office of President of a corporation or as may be delegated to him by the Board of Directors. The President shall be an ex-officio member of all committees except the nominating committee.

Section 3. DUTIES OF THE VICE PRESIDENT/PRESIDENT ELECT. The Vice President shall preside in the absence of the President. The Vice President/President

Elect shall be the Chairman of a committee. When the director responsible for the role of treasurer and/or secretary is absent, incapacitated, or unable to perform, the vice president steps in to fulfil any necessary duties.

Section 4. DUTIES OF THE SECRETARY. The Secretary shall keep a record of all the official proceedings of the Association and its Board of Directors, including the reports of all Committees and keep the minute book current. The Secretary will present the minutes of the previous Board of Directors meeting for approval of the Board at the next meeting of the Board. The Secretary shall also safeguard the original or a copy of the Corporation's Articles of Incorporation, By-Laws as amended and the Corporate Seal in the Association business office.

Section 5. DUTIES OF THE TREASURER. The Treasurer shall have custody of all funds of the Association in a bank to be designated by the Association and monthly financial statements shall be presented to the Board of Directors no later than at the scheduled Board meeting following the close of the month. All financial statements shall be prepared in a form approved by the Board of Directors. The Treasurer shall keep and maintain a record of the assets of the Association. A copy of the Association's financial records must be maintained in the business office of the Association. The accounting records of the Association shall be open to inspection by any officer, director or member of the Association at any time during normal business hours.

Section 6. POWERS AND DUTIES OF THE EXECUTIVE COMMITTEE. The Executive Committee shall have the power and duty to conduct, manage and control the affairs and business of the Association in conformity with law and with these By-Laws during the times when the Board of Directors are not in session and to appoint necessary to effectuate the purposes of the Association. All members of the Executive Board shall have check signing privileges and two (2) signatures shall be required on all checks drawn on the accounts of the Association and on all other payment made on behalf of the Association.

ARTICLE X
COMMITTEES

The President shall appoint the standing committees hereinafter designated and such other committees as from time to time may be required and shall designate the chairman of each committee and shall, except for the Executive Committee, have the power to make changes in any committee at any time. No committee shall have the power to commit the Association's funds or to set prices, fees or other charges for Association meetings, social events, educational programs or other activities at any time; these rights are vested solely in the Board of Directors. The Chairperson of each Committee shall make reports at the Board of Directors Meetings and shall make a written Annual Report which shall be submitted at the Annual Meeting.

Section 1. MEMBERSHIP. This committee shall consist of at lease three (3) members. With the cooperation of other committees, it shall be the responsibility of this committee to promote and maintain membership, examine the qualifications of new members, and make recommendations to the Board of Directors of those person(s) requesting membership.

Section 2. SPECIAL EVENTS. This committee shall consist of at least three (3) members. With the cooperation of other committees, it shall be responsible for the planning, fundraising, programming and promotions of all special events.

Section 3. BUDGET & FINANCE. This committee shall consist of the Executive Committee. It shall be this committee's function to keep abreast of all financial matters of this Association and make recommendations to the Board of Directors. It shall be the responsibility of this committee to prepare the Annual Budget.

Section 4. EDUCATION. This committee shall consist of at least three (3) members. With the cooperation of other committees, it shall be this committee's responsibility to arrange for all education functions of the Association, including securing speakers for the General Membership Meetings, training programs, workshops and other education opportunities. A Director shall serve as chairman of the program committee.

Section 5. ETHICS. This committee shall consist of at least three (3) owner/manager members. It shall be this committee's responsibility to investigate all complaints against members for violations of the Code of Ethics and to make recommendations to the Board or Directors for appropriate action.

Section 6. SUPPLIER COUNCIL. The function of this committee which shall consist of at least three (3) members shall be to provide active support for the Association through publicity, exhibits, trade shows and other activities as determined by the committee and to establish standards of ethics for affiliate members.

Section 7. OTHER COMMITTEES. Other committees shall be appointed by the President as the need arises. The Chairman of each Standing Committee shall make reports at the Board of Directors Meetings as necessary and shall make a written Annual Report which shall be submitted at the Annual Meeting.

ARTICLE XI
DISSOLUTION

The Association may be dissolved after approval of such proposal by an affirmative vote of three-fourths (3/4) of the members of the Association at a meeting called for considering such a proposal or by the written assent to such proposal signed by three-fourths (3/4) of the members. Upon dissolution of The Association, all of the money, property and assets thereof of every kind or character wheresoever situated shall be immediately transferred, conveyed or disbursed to such non-profit organizations engaged in the furtherance of some similar purpose which this Association was formed to promote, as the Board of Directors may select, and no officer or member of this

Association shall profit by such dissolution. Such dissolution shall be carried out by the action of the Board of Directors and each officer thereof at the time of dissolution, or if there be none, by order of a court of competent jurisdiction. Should the Association at the time of dissolution, own money, property or other assets restricted as to use for particular purpose, such restrictions shall be observed and the transfer, conveyance or distribution made in accordance with the terms of such restriction.

ARTICLE XII
AMENDMENT TO BY-LAWS

These By-Laws may be changed, added to, amended or revised at any regular or special meeting of the Association or via electronic voting, provided that not less than twenty (20) days notice thereof shall be given in writing via postal mail, electronic mail and/or facsimile setting forth in full such changes additions, amendments or revisions and provided further that no change, addition, amendment or revisions shall be effective or binding on the Association or be effective for any purpose whatsoever until approved by a vote of two-thirds (2/3) of the voting members in good standing.

ARTICLE XIII
INDEMNIFICATION AND INSURANCE

Section 1. INDEMNIFICATION. To the extent permitted by law, the Association shall indemnify every director, officer, employee, consultant, agent and member, and their respective heirs, executors, administrators and assigns, from any against all liabilities and expenses (including but not limited to court costs and attorney fees) reasonably incurred by any such person in connection with any lawsuit or claim to which any such person may be a party by reason of his or her being or having been a director, officer, employee, consultant, agent or member, unless a court of competent jurisdiction finally adjudges that such person was guilty of willful misconduct or gross negligence in the performance of his or her duties as an officer, director, employee, consultant, agent or member of the Association.

Section 2. INDEMNITY INSURANCE. The Board of Directors may, in its discretion, procure and maintain, with the Association's fund, Officer's and Director's Liability Insurance to indemnify officers, directors, employees, members and others with respect to liability arising from the performance by such persons of their duties in such capacities and such coverage may be broader than the Association's obligation to indemnify under Section 1 above to include indemnity for gross negligence.

ARTICLE XIV
NON-DISCRIMINATORY POLICY

The Apartment Association of Central Oklahoma, Inc. (AACO), in any and all of its schools, facilities, seminars, classes, lectures and all other education forums and activities and any and all other activities that might be undertaken by the Corporation, adopts a non-discriminatory policy. AACO admits members of any race, color, religion, sex, handicap, familial status or national origin to all of the rights, privileges, programs and activities generally accorded or made available to its members at the courses, schools or seminars, and any and all other educational activities of the Corporation. It does not discriminate on the basis of race, color, religion, sex, handicap, familial status or national origin in administration of its education policies, admissions policies and any other administrative programs. In the employment of all employees or personnel, the AACO will not discriminate on the basis of race, color, religion, sex, handicap, familial status or national origin.

ARTICLE XV
CODE OF ETHICS

MEMBERSHIP IN THIS ASSOCIATION SHALL BE LIMITED TO THOSE PERSONS AND FIRMS WHO SHALL SUBSCRIBE TO THE FOLLOWING CODE OF ETHICS:

We, the members of the Apartment Association of Central Oklahoma, recognizing our duty to the public, the apartment resident, and the owner, or manager, or supplier and being aware of the vastly increasing role of the Apartment Industry in providing the home of the future, and in order to provide the Apartment-Residing public with the maximum in quality and service upon the highest standards of honesty and integrity, do hereby bind ourselves, with the adoption of this Code of Ethics, with each and every member, together and along, agreeing that, so long as we remain members of the Apartment Association of Central Oklahoma, and so long as nothing contained herein shall be unlawful, we shall:

(1) Maintain and operate our multi-family housing communities in accordance with fair and honorable standards of competition ever mindful of the purpose of the Apartment Association of Central Oklahoma, and in compliance with the Constitution and By-Laws thereof;

(2) Strive continually to promote the education and fraternity of the membership and to promote the progress and dignity of the Apartment Industry in creating a better image of itself in order that the public may be better served;

(3) Seek to provide better value, so that an even greater share of the public may enjoy the many benefits of apartment living;

(4) Establish and maintain high ethical standards of conduct for the Association members;

(5) Endeavor to expose all schemes to mislead or defraud the Apartment residing public and to aid in the exposure of those responsible;

(6) Refrain from attempting to obtain apartment residents through advertising or otherwise, by means of deceptive, misleading or fraudulent statements, misrepresentations or the use of implication, unwarranted by fact of reasonable probability.

Any violation of this Code of Ethics shall be referred to the Ethics Committee for appropriate action.

DATED THIS 1st DAY OF April,

APARTMENT ASSOCIATION OF CENTRAL OKLAHOMA, INC.

BY: Lita Vesely

President

ATTEST:

Secretary