

**BYLAWS
OF
CHATEAU HOA, Inc.**

The name of the organization shall be the Chateau HOA, Inc.

**ARTICLE I
PURPOSE AND PARTIES**

1. Governance of Regime. The purpose for which this nonprofit corporation is formed is to own, manage and maintain the Common Areas and other properties of the Association in the unit ownership estate known as Chateau Section 3 hereinafter referred to as the "Project", situated in the County of Oklahoma, State of Oklahoma, which property is described in the Declaration of Covenants, Conditions and Restrictions ("Declaration") of Chateau Section 3 and which property has been submitted to the regime created by the Real Estate Development Act of the State of Oklahoma by the recording of the Declaration of Covenants, Conditions and Restrictions filed in Book 7639 at Page 835 (Declaration). All definitions contained in said Declaration shall apply hereto and are incorporated herein by reference.

2. Owners Subject to These Bylaws; Acceptance of Bylaws. All present or future owners, tenants, future tenants of any unit, or any other person who might use in any manner the Common Areas or any facilities or property of the Association are subject to the provisions and any regulations set forth in these Bylaws. The mere acquisition, lease or rental of any unit or the mere act of occupancy of a unit will signify that these Bylaws are accepted, approved, ratified, and will be complied with.

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

1. Membership. Except as is otherwise provided in the Declarations, the Articles of Incorporation or in these Bylaws, ownership of a unit in the Chateau Section 3 unit ownership estate is required in order to qualify for membership in this Association. Any person on becoming an owner of a unit shall mandatorily and automatically become a member of this Association and be subject to the Bylaws. Such membership shall terminate without any formal Association action whenever such person ceases to own a unit, but such termination shall not relieve or release any such former owner from any liability or obligations incurred under or in any way connected with this Association, during the period of such ownership and membership or impair any rights or remedies which the owners have, either through the Board of Directors of the Association or directly, against such former owner and member arising out of or in any way connected with ownership and membership and the covenants and obligations incident thereto.

2. Voting. There shall be one vote per one unit owned. Co-owners or joint tenants may only exercise one vote. No fractional votes are allowed. No unit owner who is not current in his/her/their annual dues may vote at any meeting.

3. Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of fifty percent (50%) of the owners (if voting is disproportionate owners shall mean the number of votes) shall constitute a quorum. In the event a quorum is not present, then the meeting called shall be adjourned, and, if notice has not already been given, notice of a new meeting for the same purposes within two (2) to four (4) weeks shall be sent by mail, at which meeting the number of owners represented in person or by proxy shall be sufficient to constitute a quorum. An affirmative vote of a majority of the members either in person or by proxy shall be required to transact the business of the meeting.

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

**ARTICLE III
ADMINISTRATION**

1. Association Responsibilities. The Chateau HOA, Inc. hereinafter referred to as "Association", will have the responsibility of administering the project through a Board of Directors. The Association shall have the direct obligation and responsibility for maintenance, operation and repair of the Common Areas including the private street,

the areas appurtenant to statutory street right-of-ways along section line roads and any other areas shown on the plat as common right-of-way such as entrances and center medians. It is the intent of this Declaration to require the Association to maintain all areas outside any residential building line or permitted fenced enclosure including the private streets and driveways, yards, sprinkler systems and landscaping.

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

3. Initial Meeting. The first meeting of the Association shall be held upon notification from the Declarant of its intention to turn over control of the Association to the Members or upon notification from the Declarant that more than fifty (50%) of the units have been sold and occupied by Owners, whichever first occurs. Notice of the time and place of the initial meeting to all Owners shall be the responsibility of the Declarant and shall be given in accordance with the requirements for Annual Meetings of the Association. The Declarant must give notice of the initial meeting of the Association within sixty (60) days of fifty-one (51%) percent of the units being sold to Owners.

4. Annual Meetings. Annual meetings of the Association shall be held in November or December of each succeeding year. At such meetings there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Paragraph 5 of Article IV of these Bylaws. The owners may also transact such other business of the Association as may properly come before them.

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

6. Notice of Meeting. It shall be the duty of the Secretary or Assistant Secretary of the Association to mail a notice of each meeting (annual or special), by first class mail with postage prepaid thereon, stating the purpose thereof as well as the time and place it is to be held, to each owner of record at least ten (10) days, but not more than thirty (30) days prior to such meeting. The mailing of notice in the manner provided in this paragraph shall be considered notice served. Notice of the annual meeting of the Association may also include notice of the subsequent meeting to be held in the event a quorum is not achieved at the called meeting.

7. Order of Business. The order of business at 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 committees;
- (f) Election of directors, as applicable;
- (g) Unfinished business;
- (h) New Business; and
- (i) Adjournment.

ARTICLE IV BOARD OF DIRECTORS

1. Number, Qualification and Appointment or Election. Until the first annual meeting of the Association, the affairs of the Association shall be governed by the Declarant or its appointed agent. At the first meeting, there shall be elected any three (3) members of the Association to the Board of Directors, and who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified. The number of Directors may be increased or decreased at any annual meeting of the members. Nominations for election as a Director at any annual meeting of the Members shall be taken from the floor from any qualified Owner. No Owner who is not current in his, her or their annual dues may be nominated to be a Director.

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

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

(a) Administration. To administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations, and all other provisions set forth in the Declaration submitting the property to the provisions of the Real Estate Development Act of the State of Oklahoma, the Bylaws of the Association and supplements and amendments thereto.

(b) Rules. To establish, make and enforce compliance with such reasonable rules as may be necessary for the operation, use and occupancy of the project with the right to amend same from time to time. A copy of such rules and regulations, or any amendments or changes thereto, shall be delivered or mailed to each owner within ten (10) days following the adoption thereof.

(c) Maintenance of Common Areas. To keep in good order condition and repair all of the general common areas and all items of common personal property used by the owners in the enjoyment of the entire premises.

(d) Insurance. To insure and keep insured all of the insurable common areas of the property in an amount equal to their maximum replacement value as is provided in the Declaration. To insure and keep insured all of the common fixtures, equipment and personal property for the benefit of the owners of the units and their mortgagees. Further, to obtain and maintain comprehensive liability insurance covering the entire premises in amounts not less than \$100,000.00 per person and \$300,000.00 per accident and \$50,000.00 property damages.

(e) Budget; Determination of Assessments; Increase or Decrease of Same; Levy of Special Assessments. To prepare an annual budget. To levy and collect special assessments, whenever, in the opinion of the Board, it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies.

(f) Enforcement of Assessment Lien Rights. To collect delinquent assessments by suit or otherwise and to enjoin or seek damages from an owner who may be in default as is provided for in the Declaration and these Bylaws. To collect interest at the rate of eighteen percent (18%) per annum in connection with assessments remaining unpaid more than fifteen (15) days from due date for payment thereof, together with all expenses, including attorney's fees incurred.

(g) Protect and Defend. To protect and defend the entire premises from loss and damage by suit or otherwise.

(h) Borrow Funds. To borrow funds in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the recorded Declaration and these Bylaws, and to execute all such instruments evidencing such indebtedness as the Board of Directors may deem necessary.

(i) Contract. To enter into contracts within the scope of their duties and powers.

(j) Bank Account. To establish a bank account or accounts for the common treasury and for all separate funds which are required or may be deemed advisable by the Board of Directors.

(k) Manage. To make repairs, additions, alterations and improvements to the general common areas consistent with managing the project in a first class manner and consistent with the best interests of the members.

(l) Books and Records. To keep and maintain full and accurate books and records showing all of the receipts, expenses or disbursements and to permit examination thereof by each of the owners and each first mortgagee, and to cause a complete audit of the books and accounts by auditors once a year.

(m) Annual Statement. To prepare and deliver annually to each owner a statement showing receipts, expenses, and disbursements since the last such statements.

(n) Meetings. To meet at least monthly; provided, that any Board of Directors meeting may be attended and conducted by telephone or other device which permits all of the Directors in attendance to participate in such meeting, and provided further that any action required to be taken at any meeting of the Board of Directors, or any action which may be taken at such meeting, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the members of the Board.

(o) Personnel. To designate, employ and dismiss the personnel necessary for the maintenance and operation of the common areas or other administration of the project.

(p) Administration of Association. In general, to carry on the administration of this Association and to do all of those things necessary and reasonable in order to carry out the governing and the operation of this project.

(q) Managing Agent. The Board of Directors may employ for the Association a management agent (Managing Agent) who shall have and exercise all of the powers granted to the Board of Directors by the Declaration and Bylaws.

(r) Property Manager Duties; Management Agreement. To employ workmen, and others; to contract for services to be performed, including those of a Manager; to purchase supplies and equipment; to enter into contracts; and generally to have the powers of an apartment house or property manager in connection with the matters herein set forth, except that the Association may not encumber or dispose of the fee title of any Owner except to satisfy a lien, award or judgment against such Owner for violation of the Owner's covenants imposed by this Declaration. The Association shall not enter into any contract or management agreement for the furnishing of services (other than utility services), materials or supplies, the terms of which is in excess of one year; and further provided, that any contract or management agreement entered into (excluding those utilities) by the Association shall be terminable by the Association for cause upon thirty (30) days written notice or without cause or payment of a termination fee upon ninety (90) days written notice.

(s) Ownership of Units. To own, convey, encumber, lease or otherwise deal with units conveyed to it as the result of enforcement of the lien for common expenses or otherwise.

(t) All Things Necessary and Proper. To do all things necessary and proper for the sound and efficient management of the project.

(u) Tax Exempt Status. To determine each year the advisability of election of tax exempt status under the appropriate Section of the Internal Revenue Code of 1954.

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

5. Election and Term of Office; Staggered Office. At the first annual meeting of the Association the term of office of one Director shall be fixed at three (3) years; the term of office of one Director shall be fixed at two (2) years; and the term of office of the remaining Directors shall be fixed at one (1) year. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of two (2) years. If more than five Directors are elected by the Association, the terms of the additional Directors should also be staggered so that approximately one-half of the authorized Directors are elected each year. The Directors shall hold office until their successors have been elected and hold their first meeting, except as is otherwise provided. The terms of all Directors shall commence on January 1 and end on December 31. If a successor has not been elected at the end of a Director's term, that Directors term shall be extended until a successor has been elected.

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

7. Removal of Directors. At any regular or special meeting duly called, any one or more of the Directors may be removed with or without cause by a vote of two-thirds (2/3) of the members entitled to vote, and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the

owners shall be given an opportunity to be heard at the meeting. Should any director miss three consecutive regular meetings of the Board of Directors, he shall be automatically removed from the Board and a successor selected and approved by the Board to fill his unexpired term.

8. Directors' Organization Meeting. The organizational meeting of a newly elected Board of Directors shall be held immediately following the annual members meeting, and no notice shall be necessary to the newly elected Directors in order legally to constitute such meeting, providing a majority of the whole Board shall be present.

9. Directors' Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least one such meeting shall be held during each calendar quarter. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least five (5) days prior to the day named for such meeting.

10. Directors' Special Meetings. Special meetings of the Board of Directors may be called by the President on five (5) days notice to each Director, given personally, by mail, telephone or telegraph, which notice shall state the time, place (as hereinabove provided) and purpose of the meeting. Special Meetings of the Board of Directors shall be called by the President or Secretary or Assistant Secretary of the Association in like manner and on like notice on the written request of one or more Directors.

11. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

12. Board of Directors' Quorum. At all meetings of the Board, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

13. Fidelity Bonds. The Board of Directors must require that all officers and employees of the Association handling or responsible for Association funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be a common expense.

14. Compensation. No member of the Board of Directors shall receive any compensation for acting as such. However, members of the Board of Directors or Association may be reimbursed for expenses incurred by them in the performance of Association business.

ARTICLE V FISCAL MANAGEMENT

The provision for fiscal management of the association for and on behalf of all of the members as set forth in the Declaration shall be supplemented by the following provisions:

1. Fiscal Year. The fiscal year of the Association shall be the calendar year.

2. Dues; Due Date; Adjustment. The monthly dues shall be set by the Board of Directors in an amount sufficient to pay the common expenses and provide for the necessary reserve funds. Each Owners pro rata share of the dues shall be determined according to the proportions set forth in the Declaration. The dues are payable in advance each month on the 1st of the month and are past due if not paid by the 15th of the month. The dues for the coming year shall commence with the February payment and continue through January of the next year.

3. Accounts. The funds and expenditures of the members by and through the Association shall be credited and charged to accounts under the following classifications as shall be appropriate, all of which expenditures shall be common expenses:

(a) Current or Common expenses, which shall include all funds and expenditures within the year for which the

funds are budgeted, including a reasonable allowance for contingencies and working funds, except expenditures chargeable to reserves and to additional improvements.

(b) Reserves for deferred maintenance, which shall include funds for maintenance items which occur less frequently than annually.

(c) Reserves for replacement (sinking funds), which shall include funds for repair or replacement required because of damage, wear or obsolescence.

(d) Capital improvements, which shall include funds for construction of new improvements for which reserves for replacement have not been established.

4. Insurance.

(a) Master Policy; Flood Insurance; Special Planned Unit Development Endorsement; Public Liability. The Association shall carry a blanket insurance policy in an amount not less than one hundred percent (100%) of the insurable value (based upon replacement cost) from an insurance company qualified to do and conduct business in the State of Oklahoma and holding a rating of Best's Insurance Reports of Class XV or better (the limits of coverage of which insurance shall be reviewed annually by the Board of Directors), of fire, lightning, extended coverage, vandalism and malicious mischief, all risk, agreed amount and inflation guard endorsement and replacement cost covering the Common Elements (except land, foundation, excavation and other items normally excluded from coverage), including fixtures, and building service equipment to the extent they are a part of the Common Elements, as well as common personal property and supplies, and, if required by law, workmen's compensation insurance (all of which hereinafter referred to as the "Master policy"), with respect to the project and the Association's administration thereof in accordance with the following: The name of the insured must be stated in form and substance similar to the following "Chateau Section 3 HOA, Inc. for use and benefit of the individual owners". Such policy must contain the standard mortgagee clause (without contribution) which must be endorsed to provide that any proceeds shall be paid to the Chateau Section 3 HOA, Inc. for the use and benefit of mortgagees, their successors and assigns, as their interest may appear.

Said Master policy and the endorsements made a part thereof may provide for such deductibles from any amounts otherwise payable thereunder as the Association may determine, and shall also, by special PUD Endorsement or its equivalent, (i) provide that the insurer issuing said policy agrees to abide by the decision of the Association whether to repair, reconstruct or restore all or any damaged or destroyed portion of the Common Elements covered thereby, (ii) provide that only improvements made or installed by the Association shall affect the valuation of any Building or Improvement on the project for co-insurance purposes, (iii) provide for at least an annual insurance review which shall include an appraisal of all Buildings, improvements and personal property of the Association located on or within the project required to be insured hereby by a representative of the insurer issuing said master policy, (iv) contain a waiver by said insurer of any and all rights of subrogation against any Owner, Declarant (and each member of its staff and its employees), the Association, its Board (and each member thereof), its officers (and each of them), the Manager and his staff, and the agents, representatives and employees of the Association, (v) provide that said Master Policy cannot be canceled, invalidated, suspended, substantially modified, terminated, avoided or expire in whole or in part by reason of any act, omission or breach of any covenant contained in this Declaration by any Owner, Declarant, the Association, its Board, its officers, the Manager and his staff, or the agents, representatives or employees of the Association without a prior written demand that the Association cure such breach, and that in no event shall said policy be invalidated, suspended, terminated, voided or expire for any reason without thirty (30) days prior written notice from the insurer to the Association, Declarant and to any Owner or mortgagee who shall have filed a written request with said insurer for such notice (vi) provide that the Board or its authorized agent or representative shall have the exclusive authority to adjust any and all losses covered by said policy, (vii) provide that the insurance obtained pursuant to this paragraph shall not be prejudiced by any act or neglect of any of the insureds when such act or neglect is not within the knowledge and control of the insureds collectively, (viii) provide that the insurance obtained pursuant to this paragraph shall not be prejudiced by failure of the insureds collectively to comply with any warranty or condition with regard to any portion of the premises over which the insureds collectively have, no control, (ix) provide that the insurance obtained pursuant to this paragraph shall not be prejudiced by reason of the vacancy or non-occupancy of any one or more Units within the project, provided that this Declaration (as the same may be amended from time to time) is in force and the project is operating as a planned unit development project, (x) provide that all insurance proceeds under said master policy shall be payable to the Association as trustee to be held and expended as provided in this Declaration for the benefit of the Owners and their respective mortgagees as their interests may appear, (xi) provide that the insurer shall issue certificates or memoranda of insurance to the Association, and upon request, to any Unit Owner, mortgagee, or beneficiary under a deed of trust, (xii) prohibit contribution or assessments

being made against ENMA or FHLMC or being made a lien on the project superior to the lien of any first mortgage, (xiii) provide for the recognition of any Insurance Trust Agreement, (xiv) provide agreed amount and inflation guard endorsement, when it can be obtained, (xv) provide construction code endorsements, if there is a construction code provision that requires changes to undamaged portions of the buildings even when only part of the Project is destroyed by an insured hazard, including but not limited to, demolition cost endorsements, contingent liability from operation of building laws endorsement, and increased cost of construction endorsement, (xvi) provide steam boiler coverage endorsement, providing at least Fifty Thousand Dollars (\$50,000.00) coverage for each accident at each location, (xvii) provide that any insurance trust agreement will be recognized, (xviii) provide that the right of subrogation against Unit Owners will be waived, (xix) provide that the insurance will not be prejudiced by any acts or omissions of individual Unit Owners that are not under the control of the Association, and (xx) provide that the policy will be primary, even if a Unit Owner has other insurance that covers the same loss.

The Board of Directors shall also obtain and maintain, to the extent obtainable, comprehensive general liability insurance in such limits as may from time to time be determined necessary, covering all of the Common Elements in the project. Such insurance policy shall contain a "severability of interest" endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Association or other Unit Owners. The scope of coverage must include all other coverage in the kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use. Coverage shall be for at least One Million Dollars (\$1,000,000.00) per occurrence, for personal injury, including death of persons, and/or property damage. The Association shall use its best efforts to see that the liability insurance carried by the Association shall contain cross-liability insurance endorsement, or appropriate provisions to cover liability of the Owners, individually and as a group, to another Owner. Such policies must provide that they may not be canceled or substantially modified, by any party, without at least ten (10) days prior written notice to the Association and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy.

(b) Named insured; Mortgagee Clause. The Master policy shall be purchased by the Association naming the Association as the insured, as attorney-in-fact or trustee (for all of the owners), which policy or policies must contain or have attached the standard mortgagee clause commonly accepted by private institutional mortgage investors in the area in which the mortgaged premises are located.

(c) Fiduciary Liability Insurance or Fidelity Bond. The Board of Directors shall also obtain and maintain fiduciary liability insurance coverage or a Fidelity Bond against dishonest acts on the part of officers, directors, managers, trustees, employees or volunteers responsible for handling funds belonging to or administered by the Association. The fidelity bond or insurance must name the Association as the named insured and shall be written in an amount sufficient to provide protection which is in no event less than (i) one and one-half (1 1/2) times the estimated annual operating expenses and reserves or (ii) the estimated maximum of funds, including reserve fund, in the custody of the Association or the management agent, as the case may be, at any given time during the term of each bond, or (iii) a sum equal to three (3) months aggregate assessments on all Units plus reserve funds. In connection with such coverage, an appropriate endorsement to the policy to cover any persons who serve without compensation shall be added if the policy would not otherwise cover volunteers. The fidelity insurance policy shall provide it may not be canceled or substantially modified (including cancellation for non-payment of premium) without at least ten (10) days prior written notice to the Association or to any Insurance Trustee and each servicer on behalf of FNMA and FHLMC.

(d) Insurance for Unit Owners. Each Owner shall be required to obtain insurance, at his own expense, on his Unit and on all furnishings and decorations and other items of personal property belonging to an Owner. Casualty and public liability insurance coverage within each Unit are specifically made the responsibility of the Owner thereof.

(e) Insurance Trustee; Power of Attorney. Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom such Association may enter into any Insurance Trust Agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance. Each Unit Owner appoints the Association, or any Insurance Trustee or substitute Insurance Trustee designed by the Association, as attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association or any Insurance Trustee shall receive, hold or otherwise properly dispose of any proceeds of insurance in trust for Unit Owners and their first mortgage holders, as their interests may appear.

ARTICLE VI OFFICERS

1. Designation. The officers of the Association shall be a President, Vice President, Secretary, Treasurer and Chairman of the Maintenance Committee, all of whom shall be members of and elected by the Board of Directors, and such assistant officers as the Board shall, from time to time, elect. Such assistant officers need not be members of the Board of Directors, but each shall be an owner of a unit.

2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office subject to the continuing approval of the Board.

3. Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may have his office removed either with or without cause, and his successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose. Members of the Board may only be removed by vote of the owners as provided elsewhere in these Bylaws.

4. President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors unless he is absent. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including but not limited to the power to appoint committees from among the owners from time to time as he may, in his discretion, decide are appropriate to assist in the operation of the Association or as may be established by the Board or by the members of the Association at any regular or special meeting.

5. Vice President. The Vice President shall have all the powers and authority and perform all the functions and duties of the President, in the absence of the President, or his inability for any reason to exercise such powers and functions or perform such duties, and also perform any duties he is directed to perform by the President.

6. Secretary.

(a) The Secretary shall keep all the minutes of the meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary and as is provided in the Declaration and the Bylaws.

(b) The Secretary shall compile and keep up to date at the principal office of the Association a complete list of members and their last known addresses as shown on the records of the Association. Such list shall also show opposite each member's name the number or other appropriate designation of the unit owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same at reasonable times during regular business hours.

7. Treasurer. The Treasurer shall have responsibility for Association funds and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit of the Association in such depositories as may from time to time be designated by the Board of Directors. In the event a Managing Agent has the responsibility of collecting and disbursing funds, the Treasurer shall review the accounts of the Managing Agent within fifteen (15) days after the first day of each month.

8. Chairman of the Maintenance Committee. The Chairman of the Maintenance Committee shall have responsibility for the (i) day to day supervision of all maintenance of the Common Areas, and (ii) preparation of estimates of future repair and reserve needs for planning purposes.

ARTICLE VII INDEMNIFICATION OF OFFICERS, DIRECTORS AND MANAGING AGENT

1. Indemnification. The Association shall indemnify through insurance or other means every Director, Officer, Managing Agent, their respective successors, personal representatives and heirs, against all loss, costs and

expenses, including counsel fees, reasonably incurred by him in connection with any action, suit or proceedings to which he may be made a party by reason of his being or having been a Director, Officer or Managing Agent of the Association, except as to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for gross negligence or willful misconduct. In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Association is advised by counsel that the person to be indemnified has not been guilty of gross negligence or willful misconduct in the performance of his duty as such Director, Officer or Managing Agent in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such Director, Officer or Managing Agent may be entitled. All liability, loss, damage, cost and expense incurred or suffered by the Association by reason or arising out of or in connection with the foregoing indemnification provisions shall be treated and handled by the Association as common expenses; provided, however, that nothing in this Article VII shall be deemed to obligate the Association to indemnify any member or owner of a unit who is or has been a director or officer of the Association with respect to any duties or obligations assumed or liability incurred by him under and by virtue of the Declaration.

2. No Personal Liability. Contracts or other commitments made by the Board of Directors, Officers or the Managing Agent shall be made as agent for the members, and they shall have no personal responsibility on any such contract or commitment (except as members), and the liability of any member on such contract or commitment shall be limited to such proportionate share of the total liability thereof as the common interest of each member bears to the total assets of the Association.

ARTICLE VIII AMENDMENT TO BYLAWS

1. Amendments to Bylaws. These Bylaws may be amended in writing by the Association at a duly constituted meeting called for such purpose or in any regular meeting so long as the notice of such meeting sets forth the complete text of the proposed amendment. No amendment shall be effective unless approved by a 2/3rds vote of the members and memorialized in a writing signed by the Board of Directors.

ARTICLE IX MORTGAGES

1. Notice to Association. An owner who mortgages his unit shall notify the Association through the Managing Agent, if any, or the Secretary or Assistant Secretary of the Association, giving the name and address of his mortgagee. The Association shall maintain such information for the uses and purposes set forth herein.

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

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

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

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

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

2. Closing and Acknowledgment of Restrictions. In conjunction with furnishing to parties such as closing agents, notice of any lien claim by the Association for unpaid dues and assessments the Board of Directors, or Managing Agent, shall require the Seller-Unit Owner, or the closing agent, to obtain from the Purchaser of a Unit a signed acknowledgement of receipt of a copy of the Declarations, Articles of Incorporation, Bylaws and the rules or regulations of the Association, if any. Copies of these instruments will be furnished by the Association for this purpose to every Unit Owner-Sell, closing or transfer agent or Purchaser.

3. Registration of Mailing Address. The owner or several owners of an individual unit shall have one and the same registered mailing address to be used by the Association for mailing of annual statements, notices, demands and all other communications, and such registered address shall be the only mailing address of a person or persons, firm, corporation, partnership, association or other legal entity or any combination thereof to be used by the Association. Such registered address of an owner or owners shall be furnished by such owner(s) to the Managing Agent or Board of Directors within fifteen (15) days after transfer of title, or after a change of address, and such registration shall be in written form and signed by all of the owners of the unit or by such persons as are authorized by law to represent the interest of the owner(s) thereof.

4. Designation of Voting Representative Proxy.

(a) If a unit is owned by one person, his right to vote shall be established by the record title thereto. If title to a unit is held by more than one person or by a firm, corporation, partnership, association, or other legal entity, or any combination thereof, such owners shall execute a proxy appointing and authorizing one person or alternate persons to attend all annual and special meetings of members and thereat to cast whatever vote the owner himself might cast if he were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended or sooner terminated by operation of law; provided, however, that within thirty (30) days after such revocation, amendment or termination, the owners shall reappoint and authorize one person or alternate persons to attend all annual and special meetings as provided by this Paragraph.

(b) The requirements herein contained in this Article shall be first met before an owner of a unit shall be deemed in good standing and entitled to vote at an annual or special meeting of members.

ARTICLE XI OBLIGATIONS OF THE OWNERS

1. Assessments. All owners shall be obligated to pay the annual assessments imposed by the Association to meet the common expenses. The assessments imposed hereunder shall be due and payable monthly in advance as provided in Article V, paragraph 2. The amount of such assessments may be altered in accordance with Article V of the Declaration. A member shall be deemed to be in good standing and entitled to vote at any annual or special meeting of members, within the meaning of these Bylaws, if, and only if, he shall have fully paid all assessments made or levied against him and the unit or units owned by him, and is not in violation of any rule or regulation of the Association then in force.

2. Lien. The obligations of each owner to pay assessments shall be secured by a lien on the unit in favor of the Association and such obligation shall survive any sale thereof.

3. General.

(a) Each owner shall comply strictly with the provisions of the recorded Declaration and these Bylaws and amendments thereto.

(b) Each owner shall always endeavor to observe and promote the cooperative purposes for the accomplishment of which this project was developed.

4. Use of Units.

(a) All units shall be utilized only for residential purposes except as is otherwise provided in the Declaration and Plat Map.

5. Use of General Common Areas. Each owner may use the general common areas, sidewalks, pathways, roads and streets located within the entire project in accordance with the purpose for which they were

intended without hindering or encroaching upon the lawful rights of the other owners.

6. Rules and Regulations. The Board of Directors, pursuant to Article IV of these Bylaws, reserves the power to establish, make and enforce compliance with such additional rules as may be necessary for the operation, use and occupancy of this project with the right to amend same from time to time. Copies of such rules and regulations shall be furnished to each owner prior to the date when the same shall become effective.

ARTICLE XII ABATEMENT AND ENJOINMENT OF VIOLATIONS BY OWNERS

1. Abatement and Enjoinment. The violations of any rule or regulation accepted by the Board of Directors, or the Breach of any Bylaws, or the breach of any provision of the Declaration, shall give the Board of Directors or the Managing Agent the right, in addition to any other rights set forth therein, (i) to enter the unit on which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting unit owner, any person, structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions thereof, and the Board of Directors or Managing Agent shall not be deemed guilty in any manner of trespass, and to expel, remove and put out, using such force as may be necessary in so doing, without being liable to prosecution or any damages thereof; and (ii) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any breach.

2. Denial of use of Amenities. Should any owner be in default in the payment of any dues, assessments, or other sums due under the terms of the Declaration or these Bylaws, or be in violation of any of the terms of the Declaration, these Bylaws, or any rule or regulations then in force, after due notice to correct such violation, then in any of such events, such owner may be denied the use of any of the amenities until such default or violation is appropriately cured.

ARTICLE XIII COMMITTEES

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

2. Welcoming Committee. The welcoming committee, consisting of at least three (3) persons, shall have the responsibility of assisting new residents in settling into their units and becoming a part of the Association by means of, among other things, a homeowner brochure, a directory of other residents, a shopping guide, information on local facilities, and a school district guide.

3. Social Committee. The Social Committee, consisting of at least two (2) persons, shall have the responsibility of planning programs to make the best possible use of the facilities and amenities of the Association by means of developing an ongoing program of interaction and involvement.

4. Newsletter Committee. The Newsletter Committee, consisting of at least two (2) persons, shall have the responsibility of providing residents with up-to-date information on new residents, association functions, the progress of the development, committee vacancies, rules and regulations changes, and other appropriate information.

5. Maintenance Committee. The Maintenance Committee, consisting of at least five (5) persons, shall be chaired by a member of the Board of Directors. The Maintenance Committee shall have primary responsibility for the day to day performance and planning of all maintenance, replacement and repair of the Common Areas and Association property. Members of the Maintenance Committee shall be chosen by the Board of Directors so as to allow proportional representation of Units. The Maintenance Committee shall also be responsible for estimating future needs for replacement and repair of the Common Areas and Association property and presenting that plan to the Board of Directors sixty (60) days prior to the budget being due.

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

**ARTICLE XIV
COMPENSATION**

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

**ARTICLE XV
EXECUTION OF DOCUMENTS**

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

**ARTICLE XVI
MISCELLANEOUS**

1. Conflict in Documents. In the event that any inconsistency or conflict exists between the items of the Declaration, these Bylaws, or any rule or regulation then in force, the inconsistency or conflict shall in every instance be controlled by the Declaration.
2. Conflict Between Owners. In the event that any dispute between owners arises involving any of the common areas, amenities or any other matters concerning the project and the conflict cannot be resolved by the Managing Agent, it shall be resolved by the Board of Directors.
3. Due Process. In order to afford due process to each owner before any punitive action may be finally imposed by the Board of Directors, each owner shall have the right after receiving notice of the Board's intended imposition of a fine or other punitive action, of not less than ten (10) days written notice served upon the owner as provided by civil process in the State of Oklahoma, a hearing before the Board of Directors, en banc, shall then be available to any owner to present evidence for the purpose of avoiding or mitigating any penalty or punitive action at which hearing both the Association and the owner may produce evidence and present witnesses. The Board of Directors shall promptly resolve the dispute and announce its decision, which in such instances shall be final as to all matters.
4. Exculpation of Unavoidable Loss. The Association shall not be liable for any loss to any owner or inflicted upon any Unit or the property of the owner situated therein, brought about by flooding, water damage caused by burst pipes, acts of God or other force majeure. It is intended that for losses of these nature, each owner will bear the same or effect his own insurance to cover the same. Each owner may obtain additional insurance at his own expense for his own benefit. Insurance coverage on all furnishings and decorations and other items of personal property belonging to an owner and casualty and public liability insurance coverage within each individual unit are specifically made the responsibility of the owner thereof.

EXECUTED this 16th day of July, 1999.

Signed by Robert Shoemaker, managing agent