BYLAWS
OF
THE FOUNTAINS ASSOCIATION, INC.

This corporation is referred to as The Fountains Homeowners Association, Inc.in the Declarations referred in herein below, however, the name of this corporation has been filed with the Oklahoma Secretary of State as The Fountains Homeowners Association. Any references to The Fountains Homeowners Association shall mean and refer to The Fountains Homeowners Association. These Bylaws supersede any prior created or maintained Bylaws.

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 planned Lot development known as The Fountains, hereinafter referred to as the "Project," situated in the County of Cleveland, State of Oklahoma, which property is described in the Declarations of Covenants, Conditions, Restrictions and Owners' Certificate ("Declaration") of the Project 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, Restrictions and Owners' Certificate on record at the County Clerk's office of Cleveland County. All definitions contained in said Declarations, and any amendments thereto, 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 Lot, 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 Lot or the mere act of occupancy of a Lot will signify that these Bylaws are accepted, approved, ratified, and shall be complied with. Additionally, the owner of the property shall insure that any tenant subject to a lease, whether long term or short term, of a property within the association is aware of the Covenant, Conditions and Restrictions and that they too are subject to same.

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 Lot in the Project is required to qualify for membership in this Association. Any person on becoming an owner of a Lot shall mandatorily and automatically become a member of this Association and be subject to these Bylaws. Such membership shall be terminated without any formal Association action whenever such person ceases to own a Lot, but such termination shall not relieve or release any such former owner from any liability or obligations incurred under or in any way connected to 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 Lot owned. Co-owners or joint tenants may only exercise one vote. No fractional votes are allowed. No Lot owner who is not current in his/her/their annual dues may vote at any meeting.

3. Quorum.

Except as may otherwise be provided in these Bylaws or the Declaration, the presence in person or by proxy of two-thirds (2/3^{s}) of the owners (if voting is disproportionate, owners shall mean the number of votes) shall constitute a quorum for any annual or special meeting. In the event a quorum is not present, then the meeting called shall be adjourned without a vote on any issue, and if notice has not already been given, notice of a new meeting for the same purposes to be scheduled not earlier than ten days after delivery of the notice of second meeting shall be sent by first class mail, electronic mail (e-mail), or in person, 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, electronic mail (e-mail), or by written proxy. Proxies must be filed with the Secretary or other board members of the Association at least 24 hours before the appointed time of each meeting and shall be detailed enough such that their purpose and meaning can be easily identified. A proxy allows an owner to assign its vote to another owner or the Board of Directors.

ARTICLE III
ADMINISTRATION

1. Association Responsibilities.

The Fountains Homeowners Association hereinafter referred to as “Association”, will have the responsibility of administering the HOA 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 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 lot line including any improvements made by the Declarant or the Board of Directors for the benefit of the neighborhood.

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. **Annual Meetings.**

Annual meetings of the Association shall be held in January of each succeeding year OR as set by the Board of Directors. 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 Board of Directors may also transact such other business of the Association as may properly come before them.

4. **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. The notice of any special meeting shall be as set forth in paragraph 5 herein. 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.

5. **Notice of Meeting.**
It shall be the duty of the Secretary of the Association to give notice of each meeting (annual or special), by first class mail, electronic mail (e-mail), or in person stating the purpose thereof as well as the time and place it is to be held, to each owner of record at the street address of the member at least ten (10) days, but not more than thirty (30) days to such meeting. Notice provided in accordance with this paragraph will be considered adequate and fair. A member may direct in writing, addressed to the HOA Secretary, that its notice be sent to a different address other than the member's Association property address. 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.

6. **Order of Business.**
The order of business at all meetings of the owners shall be determined by the Board of Directors. The meeting shall be conducted in whatever manner the Board of Directors shall deem appropriate. In lieu of a written agenda by the Board of Directors the order of business shall be as follows:
   (a) Roll call and certifying proxies;
   (b) Proof of notice of meeting or waiver of notice;
   (c) Reading 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.**
The Board shall consist of five (5) Directors, each of whom shall be a lot owner. At any subsequent annual meeting, Directors shall be elected and removed according to these Bylaws, and who shall thereafter govern the affairs of this Association until their successors have been duly elected and qualified. 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 nominate or be nominated to be a director. Only one (1) sitting Board Member per household.

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 Association:

(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 law of the State of Oklahoma, the Bylaws of the Association and supplements and amendments hereto. To hold annual, special and any other meetings as set out herein.

(b) 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.

(c) 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 common fixtures, equipment and personal property for the benefit of the owners of the Lots and their mortgagees. Further, to obtain and maintain comprehensive liability insurance coving the entire premises in amount not less than $100,000.00 per person and $300,000.00 per accident and $50,000.00 property damages, and to obtain such other insurance policies as deemed appropriate by the Board of Directors.

(d) 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. The Levy of Special Assessments shall comply with the rules as set out in the Association Covenants.

(e) 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 set by the Board of Directors in connection with assessments remaining unpaid more than thirty (30) days from due date for payment thereof, together with all expenses, including attorney's fees incurred. To file and enforce lien rights to compel the payment of assessments.

(f) Protect and Defend.

To protect and defend the entire premises from loss and damage by suit or otherwise.

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

(h) 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.

(i) 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.

(j) 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 review of the books and accounts by a qualified person once a year.

(k) Annual Statement.
To prepare and deliver annually to each owner a statement of financial position in such form as the Board shall deem appropriate showing expenses, and disbursements since the last such statements. 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.

(l) Meetings.
To meet at least quarterly,, 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 a majority of the members of the Board.

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

(n) Administration of the 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.

(o) Ownership of Lots.
To own, convey, encumber, lease or otherwise deal with Lots conveyed to it as a result of enforcement of a lien for common expenses or otherwise.

(p) Enforcement of Rules and Restrictions.
The right to enforce all rules and restrictions, inclusive of fines associated therewith, as set forth within the Covenants and Restrictions.

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

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 shall have the right to enforce the same thereafter.

5. Election and Term of Office; Staggered Office.

Directors shall be elected to serve a term of three (3) years**.** If more 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 otherwise provided. 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 the 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 and with notice as set out herein, any one or more of the Directors may be removed with or without cause by a vote of two-thirds (2/3) (a quorum) 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 meeting 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' 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 electronically, 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.

10. **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 them 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.

11. **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.

12. **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. Compensation does not include gifts of appreciation or condolences to any member of outgoing Directors.

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; Commencement.**
   a) Definitions of Dues and Assessments:
      - Dues – The annual fee each homeowner is required to pay to the Association to cover the costs for general maintenance and upkeep of the neighborhood common areas and neighborhood features. These fees help fund the maintenance, repair, and improvement of shared areas within a community.
      - Assessments – A fee which would cover costs which were not part of the general maintenance and upkeep of the neighborhood common areas and neighborhood features. The assessments are used to pay for unanticipated items or expenses not considered in the association's reserve fund or typical annual dues.

   b) Dues: The annual dues are hereby determined to be $399.00 per year as stated in the

Declarations and begin in the year 2026. The dues should be prorated from the date of closing to the end of the year and then thereafter shall be collected annually. Following the annual meeting, homeowners will be invoiced for the amount of dues for the upcoming year. It is the responsibility of the owner to produce evidence to prove that dues were paid. A returned check fee will be assessed in the amount of $25.00 if a check is not honored. Further, annual dues cannot be increased more than 10% per year without a majority vote of the members.

c) Invoice: It is the responsibility of the homeowner to pay the dues on or before the due date, regardless of whether an invoice was received.

d) Due Date: The dues must be paid by April 1 of each year.

e) Late Fee: A $10.00 late fee will be assessed if paid within 30 days after due date and a $50.00 late fee will be assessed if not paid within 60 days of the due date. The dues and any late fees must be paid by May 1st. All dues paid after May 1st MUST include the late fee before it is considered paid.

f) Past Due Notice: If the dues and late fees are not paid by May 1st, a letter will be sent informing the resident/owner that they will have until May 15th (15 more days) until the debt is sent for collection and/or a lien filed.

g) Assessment Adjustment: Any proposed increase must be approved by a majority vote of those members in attendance at the annual meeting, or any special meeting called for that purpose and in accordance with the notice procedures set forth herein.

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.

ARTICLE VI
OFFICERS

1. Designation.

The officers of the Association shall be a President, Vice President, Secretary, Treasurer, and Member at Large, 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 to be members of the Board of Directors, but each shall be an owner of a Lot.

2. **Election of Officers.**
The officers of the Association shall be elected by the Board of Directors and shall hold a three (3) year term office subject to the continuing approval of the Board. The President, Secretary and Member at Large will be elected in even years. The Vice President and Treasurer will be elected in odd years.

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 or she shall preside at all meetings of the Association and of the Board of Directors unless he is absent. He or she 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 or she 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 of the powers and authority and perform all of 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 or she 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 directs; 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 in electronic or other format 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 Lot owned by such member. Such list shall be open to inspection by members and other persons lawfully entitled to inspect the same upon request. No one may request or use member roster for solicitation purposes.

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 or she shall be responsible for the deposit of all monies and other valuables 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..

8. **Member at Large.**
The Member at Large shall perform any duties directed to them by the President. The Member at Large shall represent the general membership on issues of interest or concern, as well as conduct

activities that further the goals of the organization.

ARTICLE VII
INDEMNIFICATION OF OFFICERS AND DIRECTORS

1. **Indemnification.**
The Association shall indemnify through insurance or other means every Director, Officer, their respective successors, personal representatives and heirs, against all loss, costs and expenses, including counsel fees, reasonably incurred by them in connection with any action, lawsuit or proceedings to which he may be made a party by reason of his being or having been a Director, Officer, 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 in relation to the matter involved. The foregoing rights shall not be exclusive of other rights to which such

Director, Officer 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 Lot who is or has been a director or officer of the Association with respect to any duties or obligations assumed or liability incurred by them under and by virtue of the Declaration.

2. **No Personal Liability.**
Contracts or other commitments made by the Board of Directors or Officers 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 of 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 at any regular or special meeting of the members by a vote of a majority of a quorum of members present in person or by proxy.

ARTICLE IX
EVIDENCE OF OWNERSHIP, REGISTRATION OF MAILING ADDRESS AND DESIGNATION OF VOTING RESPRESENTATIVE

1. **Proof of Ownership.**
Any person, on becoming an owner of a Lot, shall furnish to the Board of Directors a true and correct copy of the original or a certified copy of the recording instrument vesting that person with an interest or ownership in the Lot, or such record may be retrieved by the Board upon notification,

which copy shall remain in the file of the Association. A member shall not be deemed to be in good standing nor shall be entitled to vote at any annual or special meeting of members unless this requirement is first met. The County Assessor records shall be presumed as true and correct proof of ownership unless an owner advises otherwise, in writing.

2. **Closing and Acknowledgement 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, shall request the Seller-Lot Owner, or the closing agent, to obtain from the Purchaser of a Lot a signed acknowledgement of receipt of a copy of the Declarations, 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 Lot Owner, closing or transfer agent or Purchaser.

3. **Registration of Mailing Address.**
The owner or several owners of an individual Lot 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 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 Lot or by such persons as are authorized by law to represent the interest of the owner(s) thereof. Absent the owner providing the Association with a different address for mailing of annual statements or notices, the physical address of the Fountains property will be the mailing address of record for the Association for the transmittal of such items.

4. **Designation of Voting Representative Proxy.**
(a) If a Lot is owned by one person, his right to vote shall be established by the record title thereto. If title to a Lot 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 themself might cast if he or she were personally present. Such proxy shall be effective and remain in force unless voluntarily revoked, amended, or by date made specific within the Proxy stating date of termination 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 in this Paragraph.

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

ARTICLE X
OBLIGATIONS OF THE OWNERS

1. **Assessments.**
All owners shall be obligated to pay the annual dues imposed by the Association to meet the

common expenses. The assessments imposed hereunder shall be due and payable yearly 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 or she shall have fully paid all assessments made or levied against them and the Lot or Lots owned by them, and is not in violation of any rule or regulation of the Association then in force. Please refer to Article V for the definitions of Dues and Assessments more specifically.

2. **Lien.**
The obligations of each owner to pay assessments shall be secured by a lien on the Lot 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 Lots.**
All Lots shall be utilized only for residential purposes except as is otherwise provided in the Declarations 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.

ARTICLE XI
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 the said committees.

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

ARTICLE XII
COMPENSATION

This Association is not organized for profit. No member, member of the Board of Directors, or Officer may receive compensation from the Association for services rendered.

ARTICLE XIII
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 Treasurer of the Association.

ARTICLE XIV
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, it shall be resolved by the Board of Directors. This paragraph is not intended to make the Association a party to conflicts between Owners that are purely private.

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 Lot of 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 Lot are specifically made the responsibility of the owner thereof.

ARTICLE XV
ENFORCEMENT OF GOVERNING DOCUMENTS; FINES.

1. **Purpose and Procedure.**
   a. Purpose.
      As members of The Fountains, we all want to see that the neighborhood is kept in an attractive and well maintained condition. The purpose of these rules is to enhance the enjoyment of the residents who live here and to maximize our property values.

b. Board Duty.
To ensure that these governing documents are followed, the Board of Directors has been given the responsibility to enforce them. It may levy fines, make special assessments and take other actions against violations or these rules.

c. Procedures.
Enforcement procedures include giving notice to a resident of a violation. This notice may be in the form of a letter or a posted sign. If the violation continues a fine may be assessed against either or both the homeowner and/or the resident or other action taken by the Board.

2. Enforcement Process.
The level and severity of the offense may vary at the discretion of the Board.

a. First Notice:
When the Board receives a report of a violation of the CC&Rs, Bylaws or Rules, it will send a letter to the residents bringing to their attention the violation. The letter will quote the pertinent Covenant, Bylaw, or Rule, ask that they cease any such activity and/or take action, as well as set a date by which time the condition must be remedied and come into compliance. It will not discuss fines, liens or other forms of enforcement.

b. Second Notice:
If a prohibited condition is not corrected, the Board will send a letter to the residents stating the nature of the violation, quote the pertinent Covenant, Bylaw, or Rule and notify them of the potential fine and methods of enforcement available to the Board. The letter will also set a date by which time the condition must be remedied.

c. Third Notice:
Upon a third notice of a prohibited activity, the Board may impose a fine against the residents in the amount given in the table below. Subsequent violations of the same Covenant, By-Law or rule are subject to fine increases to the maximum in the table below for each occurrence. In the alternative the Board may take action to remedy the violation and bill with the residents for the cost or seek an injunctive or other legal relief.

Minor Offense (improper care of lawns/lots, creating/maintaining a nuisance, failure to control pets etc):	1st Violation - $25 per day 2nd Subsequent Violation - $50 per day 3rd Subsequent Violation - $75 per day
Medium-Level Offense (proceeding with home improvement without AC approval, non-compliance with landscaping requirements, etc).	1st Violation - $75 per day 2nd Subsequent Violation - $100 per day 3rd Subsequent Violation - $150 per day

Major Offense (proceeding with home construction without AC approval, maintaining a health or environmental hazard to HOA residents, etc):	1st Violation - $300 per day 2nd Subsequent Violation - $400 per day 3rd Subsequent Violation - $500 per day

d. Hearing:
An appeal/hearing request must be submitted in writing to the Board, within 10 business days from the date of the receipt of notice of the violation letter. The notified residents may address the Board and present their case regarding the violation at the first Board meeting following the receipt of the notice. If the residents choose to appear before the Board, it will hear them and any other concerned persons. ***Following the hearing, or after the latter Board meeting, if the residents choose to not appear, the Board shall render a decision and such decision shall be final.***

e. Collection of Fines and Costs:
If the residents refuse to pay the fines or costs, the Board may turn the debt over to the means granted in the Covenants and Bylaws to recover the fines and costs or place a lien against the property to recover all such fines and costs.

f. Exceptions:
Certain violations may be so obvious and egregious that the Board has the authority to forego the above stated procedures and take immediate action. Those violations are ones that place the health, safety or welfare of our residents in danger.

THESE BYLAWS ARE HEREBY VOTED UPON AND ACCEPTED AS TO FORM AND CONTENT ON THIS _____ DAY OF _____, 20____, AS PER THE ATTACHED RECORDED VOTES. SEE ATTACHED VOTE TALLY AS PROOF OF ACCEPTANCE.

Verified by the Board of Directors of the Fountains Homeowner's Association.

_____ _____

_____ _____

_____ _____