

BYLAWS OF LC HOMEOWNERS ASSOCIATION

ARTICLE I - NAME AND LOCATION

The name of this organization shall be the LC Homeowner's Association, Inc. It shall be a not-for-profit corporation incorporated in the State of Oklahoma and operating under the laws of said state. The principal office of the corporation shall be located as set forth in the Articles of Incorporation, but meetings of members and directors may be held at such places as may be designated by the Board of Directors. These Bylaws shall govern the Association and its members and facilitate the fulfillment of the purposes provided herein.

ARTICLE II - DEFINITIONS

2.1. "Association" shall mean and refer to LC Homeowners Association, its successors and assigns.

2.2. "Properties" shall mean and refer to that certain real property located in Lost Creek, a subdivision in a part of the SW 1/4 of Section 1, Township 5 South, Range 24 East and part of the NW 1/4 NW 1/4 of Section 12, Township 5 South, Range 24 East of the Indian Base and Meridian, according to the recorded plat thereof, McCurtain County, Oklahoma, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

2.3. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

2.4. "Developer" shall mean and refer to Lost Creek, LLC, an Oklahoma limited liability company, its successors and assigns.

2.5. "Declaration" shall collectively mean and refer to the Owner's Certificate, Dedication and Reservations recorded July 5, 2017 in Book 967 at Page 622; and the Corrected Owner's Certificate, Dedication and Reservations recorded June 27, 2018 in Book 992 at Page 308, along with any corrections, revisions, or amendments thereto.

2.6. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration or these Bylaws.

2.7. "Board" shall mean the Board of Directors of the Association.

2.8. "Bylaws" shall mean the Bylaws of the Association, which are or shall be adopted by the Board, as such by-laws may from time to time be amended.

2.9. "Lot" shall mean those tracts of land so designated upon the recorded subdivision Plat of Lost Creek.

2.10. "Person" shall mean an individual, corporation, partnership, trust or other legal entity, or any combination thereof.

2.11. "Annual Dues" shall mean a charge made against each Lot for the purposes of paying the regular operating expenses of the Association and for the improvement, maintenance, repair, replacement, operation, management and administration of the roadways, and related items located in Lost Creek, including the cost of labor, equipment, materials, management and supervision thereof.

2.12. "Special Assessment" shall mean a charge made against each Lot for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the subdivision roads, and personal property related thereto.

ARTICLE III -MEMBERSHIP IN ASSOCIATION

3.1. Membership. Membership in the Association is mandatory, and shall be restricted to those owners of any Lot subject to these restrictions. Such owners shall be a member (herein called "Member") of the Association. The membership of an owner shall become effective for all purposes upon the owner's receipt of fee simple title to a Lot (such as by deed). Membership shall be appurtenant to and may not be separated from ownership of any Lot.

3.2. Voting Rights. Each member shall be entitled to one vote for each Lot in which they hold an interest required for membership specified in Section 2.1. When more than one person holds such interest or interests in any Lot, all such persons shall be members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. In the event any Lot owner should fail to timely pay the dues set forth in Article IV hereof, the Board may suspend such voting rights until said dues have been paid in full.

ARTICLE IV - MEETING OF MEMBERS

4.1. Annual Meetings. The first annual meeting of the Members shall be held at a date to be determined by the Developer, and each subsequent annual meeting of the Members shall be held in the same month of each year thereafter, on a date to be determined by the Board. At the first annual meeting of the Members, they shall elect a Board of Directors and transact such other business as may properly be brought before the meeting.

4.2. Special Meetings. Special meetings of the Members may be called at any time by the president or by a majority of the Board of Directors, or upon written request of twenty percent (20%) of the Members who are entitled to vote. Any such request shall state the purpose of the meeting.

4.3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, or emailing a copy of such notice to the email address of record with the Association, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address and/or email address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

4.4. Quorum. The following shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws: a total of at least ten (10) Members entitled to cast votes (a) physically present at the meeting; (b) proxies of Members entitled to cast votes; or (c) ballots delivered to the Association via U.S. mail or electronically from a Member entitled to cast votes. If, however, such quorum shall not be present or represented at any meeting, the Members present, though less than a quorum, may give notice to all Members as required herein for the transaction to be considered, at an adjourned meeting, and at the adjourned meeting five (5) Members shall constitute a quorum. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

4.5. Proxies and Email. At all meetings of Members, each Member may vote in person, by proxy, via U.S. mail, or via email or similar electronic means. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the Member of his or her Lot. Votes made via electronically shall contain the signature of the Member, which shall be made on the ballot and transmitted electronically to the Association.

ARTICLE V - BOARD OF DIRECTORS

5.1. Number. The property and affairs of this Association shall be managed by a Board of between three (3) and five (5) directors, and those directors elected subsequent to the initial Board must be Members of the Association.

5.2. Initial Board. The Developer shall, at the time of its choosing, appoint the initial Board of Directors of the Association. Should the Developer fail to appoint the initial Board by such time as all (100%) of the Lots in the subdivision have been conveyed, a Special Meeting of the Members of the Association may be called to elect the initial Board of Directors.

5.3 Term of Office. At the first meeting the Members shall elect one director for a term of one year, two directors for a term of two years and two directors for a term of three years; and at each annual meeting thereafter, the Members shall elect directors for a term of three years. If there are only three (3) directors, then in that event the term of the second and third director shall be for two and three years respectively.

5.4. Removal. Any director may be removed from the Board, with or without cause, or by a majority vote of the Members of the Association at a special or regular meeting of the



Association. In the event of death, resignation, incapacity or removal of a director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

5.5. Compensation. No director shall receive compensation for any service he may render to the Association, provided that nothing herein shall preclude any director from serving in any other capacity and receiving compensation therefore.

5.6. Action Taken without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI - NOMINATION AND ELECTION OF DIRECTORS

6.1. Nomination. Nomination for election to the Board of Directors shall be made in writing in advance of the annual meeting by a two or more Members or by one or more Directors. Such nominations may also be made from the floor at the annual meeting. Nominations shall be made for as many nominees as the President of the Board, in his or her discretion, shall determine, but not less than the number of vacancies that are to be filled.

6.2. Election. Election to the Board of Directors shall be by secret written ballot. At such election, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these By-laws. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

In the case of any communication by Members to the Association that is to be by secret ballot, the Board shall afford Members the ability to submit such ballots via email to the Secretary or another third person designated and deemed trustworthy by the Board. The Secretary or other designated person shall tabulate the votes submitted electronically and report them to the Board without disclosing the votes of individual Members.

ARTICLE VII - MEETING OF DIRECTORS

7.1. Regular Meetings. The regular meetings of the Board of Directors shall be held quarterly, one of which shall be immediately following the annual meeting of the Members, at such time and place as may be determined by the Board.

7.2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Board, or by the written request of a majority of the current directors, after not less than three (3) days notice to each director.

7.3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VIII - POWERS AND DUTIES OF THE BOARD OF DIRECTORS

8.1. Powers. The Board of Directors shall have the power to:

- (a) Adopt and publish rules and regulations governing the maintenance and security of the subdivision roadways, cart paths and related matters;
- (b) Suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association;
- (c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the Membership by other provisions of these Bylaws or the Declaration;
- (d) Establish the amount of Annual Dues;
- (e) Declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive meetings of the Board of Directors; and
- (f) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties, establish their compensation and remove them at any time with or without cause.

8.2. Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members;
- (b) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- (c) As more fully provided herein, to:
 - (i) Fix the amount of the Annual Dues against each Lot at least thirty (30) days in advance of the due date for payment of said dues;
 - (ii) Send written or electronic notice of the Annual Dues to every owner subject thereto at least fifteen (15) days in advance of the due date of said dues;
 - (iii) Propose the amount of a Special Assessment against each Lot to be voted on by the Members at a meeting called for this purpose;
 - (iv) Send written or electronic notice of any approved Special Assessment to every owner subject thereto at least fifteen (15) days in advance of the due date of said

assessment; and

- (v) Foreclose the lien against any property for which Annual Dues or Special Assessments are not paid within thirty (30) days after due date, or to bring an action at law against the owner personally obligated to pay the same.

(d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any Annual Dues or Special Assessments have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an Annual Dues or Special Assessments have been paid, such certificate shall be conclusive evidence of such payments;

(e) Procure and maintain adequate liability and hazard insurance on any property or property rights owned by the Association or reserved by the Developer;

(f) Procure and maintain adequate officers and directors liability insurance;

(g) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and

(h) Cause the performance of the maintenance and security functions set forth herein.

ARTICLE IX - OFFICERS AND THEIR DUTIES

9.1. Enumeration of Offices. The officers of this Association shall be a President, a Vice President, a Secretary and a Treasurer ("Regular Officers"), who must all be members of the Board.

9.2. Election of Officers. The election of Regular Officers shall take place initially at the organizational meeting of the Association, and, thereafter, shall take place at the meeting of the Board of Directors following each annual meeting of the Members.

9.3. Term. The Regular Officers of this Association shall be elected annually by the Board and each shall hold offices for a term of one (1) year, unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve. All Regular Officers must be Members.

9.4. Resignation and Removal. At any time any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written or electronic notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

9.6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

9.7. Multiple Offices. The offices of secretary and treasurer may be held by the same person and the vice president may hold at the same time the office of Secretary and/or Treasurer.

9.8. Duties. The duties of the officers are as follows:

(a) President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members and Board of Directors; shall see that orders and resolutions of the Board are carried out; shall have general and active management of the business of the Association; and shall have the general powers and duties of supervision and management usually vested in the office of president of a corporation.

(b) Vice President. The Vice president shall act in the place and stead of the president in the event of his or her absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

(c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of Members; keep-appropriate current records showing the Members of the Association, together with their addresses and email addresses; and shall perform such other duties as required by the Board, all subject to the supervision of the president.

(d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual accounting of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the Membership at its regular meeting, and deliver a copy of each to the Members.

ARTICLE X - BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XI - ANNUAL DUES AND SPECIAL ASSESSMENTS

11.1 Creation of the Lien and Personal Obligation of Dues. Each owner of any Lot by acceptance of a deed therefor or through other conveyance (such as a court decree), whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay dues and assessments to the Association including but not limited to: (1) Annual Dues; and (2) Special Assessments, both of which dues are to be fixed, established and collected from time to time as hereinafter provided. The Annual Dues and Special Assessments, together with interest thereon and costs of collection thereof as hereinafter provided, shall be a charge and lien on the

land and shall be a continuing lien upon the property against which each such dues is made. Such lien shall be paramount and superior to any homestead or other exemption provided by law. Each such dues and assessments, together with such interest thereon and attorney fees and other costs of collection thereof, as hereafter provided, shall also be the personal obligation of the person who was the owner of such Lot at the time when the dues or assessments fell due. The personal obligation for delinquent dues or assessments shall not pass to an owner's successor in title unless expressly assumed by them. However, the lien continues on the Lot against any new owner, until it is paid. Notice is hereby given that such continuing lien has attached as of the filing of this declaration.

11.2. Damage to the Roadways by Owners. In the event any part of the subdivision roadways, or related items is damaged or destroyed by an owner or by an Owner's Invitees, such owner does hereby authorize the Association, at its discretion, to repair said damages in a good workmanlike manner. The amount necessary for such repairs shall be promptly paid by such owner, upon demand, to the Association, and the Association may enforce collection of same in the same manner as provided elsewhere in these Bylaws for collection and enforcement of assessments. For the purpose of this Article, the term "Owner's Invitees" is intended to be interpreted broadly and shall include but not be limited to the guests of owners; the owners' employees, representatives, agents and/or contractors; and the guests of owners' family.

11.3. Basis of Annual Dues. The initial Annual Dues for maintenance shall be \$1000 per Lot. The initial Annual Dues shall be paid upon the initial sale of a Lot by the Developer. Until the initial board of Directors is appointed by the Developer, Developer shall hold all annual dues on behalf of the Association. At each annual meeting of the Board, following the annual meeting of the Members, the amount of the Annual Dues shall be fixed for the next year, as appropriate to meet the present and anticipated needs of the Association, and may remain the same or be increased or decreased. Such Annual Dues may be used to build up a fund for repair and replacement of any improvements on the subdivision roads, or related matters as described herein.



11.4. Special Assessments. In addition to the Annual Dues, the Association may levy in any year a Special Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the costs of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the subdivision roads, cart paths and personal property related thereto. However, any such special assessment shall have the assent of two-thirds of the vote of the Members who are voting in person, by proxy, or via email at a meeting duly called for this purpose, written or electronic notice of which shall be sent to all Members at least thirty (30) days in advance and which shall set forth the purpose of the meeting, and subject to the quorum provisions set forth hereinabove.

11.5. Uniformity of Dues and Assessments. Every Annual Dues and Special Assessment established under this Article XI shall be on a per Lot basis for each Lot, regardless of the size or value of the Lot or any improvements upon the Lot.

11.6. Due Date of Annual Dues and Special Assessments. Payment of the Annual Dues (other than the initial Annual Dues) provided for herein shall be due on March 1 of each calendar year after such assessments are made.

Payment of the annual Special Assessments provided for herein shall be due thirty days after such assessments are made. For the initial partial year, there will be no Special Assessments.

11.7. Duties of the Board. With respect to Annual Dues and Special Assessments, the Board shall:

(a) Fix the Annual Dues and submit to the Members at the annual Members' meeting any proposed Special Assessment (subject to adjustment and approval) at such meeting, against all Lots then owned and occupied by the owners or Developer, and send written or electronic notice of such Annual Dues and Special Assessment thereof to all such owners, including owners of unoccupied Lots, at least fifteen (15) days before the due date; and

(b) Cause the Association to prepare and maintain a roster of Lots, the owners thereof, the assessments applicable thereto, if any, and the status of the payment thereof, which shall be kept in the office of the Association or its accountant and which shall be open to inspection by any owner; and

(c) Upon demand at any time, furnish to any owner liable for an assessment, a certificate in writing signed by an officer of the Association, setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

11.8. Effect of Non-Payment of Annual Dues or Special Assessments: The Personal Obligation of the Owner; the Lien; Remedies of the Association. If any Annual Dues or Special Assessments is not paid within thirty (30) days of the date when due (being a date specified in these Bylaws), then such assessment shall become delinquent and shall accrued interest at the rate of 15% per annum. The unpaid assessments and other items described above shall be a continuing lien on the property which shall bind such property in the hands of the then owner, his or her heirs, devisees, personal representatives, trustees, successors and assigns. The personal obligation of the then owner to pay such assessment, however, shall remain his or her personal obligation for the statutory period of five (5) years and shall not pass to his successors in title unless expressly assumed by them. However, the lien shall remain attached to the Lot and may be foreclosed thereon.

The Association may bring an action at law against the owner personally obligated to pay any delinquent assessments, or may bring an action to foreclose the lien against the property, or both, and there shall be added to the amount of such assessment the costs of preparing and filing the lien (even if a lawsuit is not filed) and the petition if any action is filed (including costs and reasonable attorney fees), and, in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided.

In addition to the above remedies, the Board may suspend the voting rights of any Owner for non-payment of assessments.

ARTICLE XII - AMENDMENTS

12.1. These Bylaws may be amended, at a regular or special meeting of the Board, by a vote of a majority of Board Members present.

12.2. In the case of any conflict between the Articles of Incorporation, if any, and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIII - MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st day of January and end of the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

It is anticipated and agreed that this document may be signed in counterparts.

Manager, Lost Creek, LLC

STATE OF OKLAHOMA

ss.

COUNTY OF McCURTAIN

The foregoing instrument was acknowledged before me this _____ day of _____ by Kevin Perry, Manager of Lost Creek, LLC.

NOTARY PUBLIC

Seal

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting secretary of LC Homeowners Association, an Oklahoma unincorporated association, and

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the _____ day of _____.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this _____ day of _____.

Secretary